

GOLD



COAST

REPORT
OF THE
COMMISSION OF ENQUIRY
INTO THE
GOLD COAST CO-OPERATIVE WHOLESALE
ESTABLISHMENT LIMITED
MARCH 1954



Volume III
Appendices III—XVI

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1954

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CASSLETON ELLIOTT & CO.

P.O. Box 242,

Accra,

GOLD COAST.

12th February, 1954.

The Acting Registrar of Co-operative Societies,
P.O. Box 906,
Accra.

Dear Sir,

We have now completed our audit of the books and records of the Gold Coast Co-operative Wholesale Establishment Limited for the year ended 27th June, 1953, and attach hereto Balance Sheet as at 27th June, 1953, together with Trading and Profit and Loss Account for the year ending that date and the following schedules:

- No. 1) Members Share Capital
- 2) Staff Provident Fund Accounts.
- 3) Trade Creditors.
- 4) Consumer Societies - Advance Payments.
- 5) Security Deposits.
- 6) Sundry Creditors & Accrued Charges.
- 7) Motor Vehicles.
- 8) Suppliers Payments in Advance.
- 9) Debtors - Consumer Societies.
- 10) Staff Trading Accounts.
- 11) Staff Advances.

We have to comment on various items included in the accounts thus:-

BALANCE SHEET

LIABILITIES

Members Share Capital £11,075. 0. 0.

The items comprising this amount are detailed in Schedule 1. The movements on this account during the year under review were as follows:

Balance at 29th June 1952	10,489
<u>Add:</u> Existing Members Deposits	<u>611</u>
	11,100
Less Capital Withdrawn	<u>25</u>
	<u>£ 11,075</u>

(7) Accra, 12th February, 1954

Of the above total £10,065 stands to the credit of the shares accounts of Societies on whose current accounts there are debit balances amounting to £71,920. 6/- each individual debit balance being in excess of the capital subscribed. According to the Bye-laws of the Establishment the value of members shares can be set off against any debt owing to the Establishment by such members.

Staff Provident Fund £1,376. 19. 4.

The items comprising this account are detailed in Schedule 2. During the year £1,300 of this amount was placed on Fixed Deposit in the Cold Coast Co-operative Bank Limited. There is no specific Rule of this fund which states that employees balances may be set off against amounts owing to the Establishment by the employees concerned.

Interest at 2 $\frac{1}{2}$ % has been allowed on the balances at 27th June, 1953.

Trade Creditors £800. 9. 8.

These are detailed in Schedule 3. We have not been able to reconcile the following balances with statements since received from the suppliers in question and which show Nil Balances at 27th June, 1953.

Co-operative Wholesale Society, Manchester	249.	2.	3.
Quaker Oats Production Company	442.	10.	$\frac{3}{4}$
Wilkinson & Riddell Limited	-	2.	-

The balance due to Quaker Oats Production Company has been outstanding since 1952 and appears to have been caused by a duplicate posting of an invoice for this amount. We suggest that this balance together with that of Wilkinson & Riddell Limited be adjusted to conform to the suppliers' statements and the amount credited to Revenue. With regard to the balance said to be due to the Co-operative Wholesale Society, Manchester, we

(8) Accra, 12th February, 1954

suggest that further investigation be made with a view to clarification as some considerable confusion in the Establishment's books exists between the account of this Society and that of the New York branch.

Consumer Societies £98, 15, 2

The balances comprising this amount are detailed in Schedule 4.

At the date of our audit, only Aburi Consumers £4, - 8 have been cleared.

Security Deposits £3,010, 0, 0

We detail these balances in Schedule No. 5. During the year a sum of £3,250 was placed on Fixed Deposit with the Gold Coast Co-operative Bank to meet this liability.

The movements on this account during the year were as follows:-

Balance at 29th June, 1952	.. ..	2,950
Add: New Deposits received:		
W. Okai (Accra Cashier)	100	
E. D. Ayisi Osafo (Kumasi Storekeeper)	.. 200	
J. D. Ofusu (Ashanti Storekeeper)	.. <u>100</u>	400
Increase in G. H. Mettle's deposit (Accra Storekeeper)		<u>10</u>
		3,360
<u>Less Deposits refunded during year:</u>		
R. K. Adae - Agona	.. 200	
G. O. Abeyie - Kumasi (set off against amount due to Co-operative Wholesale Establishment Limited)	.. <u>150</u>	<u>350</u>
		£3,010

Included in the above sum is an amount of £100 deposited by Mr. B. K. Addo, formerly Accra Cashier. This sum is being held against an amount of £1,190. 13. 2 debited against him as a result of a cash deficit appearing in the books during March, 1952.

Sundry Creditors & Accrued Charges £1,950, 1, 10

The items comprising the above balance are detailed

Bank Overdrafts

i) Gold Coast Co-operative Bank, Accra,
Current Account No. 1 £194, 742. 2. 10

Transactions on this account ceased on 8th May, 1953, and the overdraft frozen. A liquidator's Current Account was commenced as from this date. We have verified the balance and the Bank transactions during the year by reference to the relative Bank Statements.

ii) Liquidator's Current Account £28,150. 11. 4.

We have verified the balance on this account by reference to the Bank Statements and have reconciled it with a certificate sent to us by the Bank.

Suspense Accounts £933. 4. 0.

This amount consists of sums credited in the Co-operative Wholesale Establishment Limited books as transfers from Kumasi Branch in respect of the following consumer societies. The books of these Societies have been checked by the Audit Section of the Department of Co-operation and contain no record of the payments. Of this sum £803. 4. 0. was held in suspense at 29th June 1952. As the confusing state of the records in existence at the time prevented us from carrying out a detailed investigation, we are unable to comment further on this liability except to state that further investigation should be made by the Department of Co-operation Auditors with a view to clarifying the position.

Ashanti - Akim Consumers	516.	-	-
Bekwai	--do--	17.	-- --
Sunyani	--do--	203.	-- --
Adansi	--do--	67.	4. --
Kumasi	--do--	<u>130.</u>	-- --
		<u>£933.</u>	<u>4. --</u>

LIABILITIES GENERALLY

Apart from Audit fees and in so far as we have been able to ascertain from our examination of the books and records kept by the Establishment, we are of the opinion that all liabilities have been brought into account.

A S S E T SMotor Vehicles £506, 12, 11

These are listed in Schedule No. 7.

The 5-Ton Bedford Truck, AR.5781, was sold during the year for £240 and produced a book profit of £40.15. 0.

An Austin Pick-Up Truck, AD.2328, was purchased during the year for £870 and was involved in an accident shortly afterwards. Mr. Bahun, an employee of the Establishment, was held responsible for this accident and £809. 11. 8 representing value of the vehicle has been debited to his account. The difference between this sum and the purchase price has been written off to Depreciation Account. Although this vehicle was insured the Insurance Company repudiated the claim on the grounds that the accident happened in French Territory. The remaining vehicles have been depreciated at $33\frac{1}{3}\%$ on cost price.

Plant, Furniture & Fittings £1,018, 11, 0

Additions amounted to £108. 18. 0 during the year.

Depreciation at 10% on the balance at 28th June, 1952 plus additions has been provided.

Investments £5,774, 7, 6.

We have verified these balances by reference to certificates received from the Co-operative Bank and Wholesale Society. No interest has been received in respect of £1,300 placed on Fixed Deposit on 21st March, 1953, with the Gold Coast Co-operative Bank. We understand that interest at $3\frac{1}{2}\%$ will be allowed on this deposit.

Suppliers Accounts £16,942, 12, 3.

The balances making up this amount are detailed in Schedule No. 8. No attempt has been made to reconcile any of these balances until after 27th June, 1953, when all suppliers were circulated, and asked to render statements of balances. These have now been received from the majority of creditors and compared with the ledger balances.

Accounts totalling £297. 13. 3 could not be agreed with suppliers statements the majority of which showed Nil balances and appear to consist mainly of bank charges on remittances and like charges which are not normally borne by suppliers. There is no documentary evidence to show that Debit Notes have been sent to suppliers in respect of these amounts and they must be considered irrecoverable.

Consumer Societies £73,240. 16. 3

These balances are detailed on Schedule No. 9.

The following balances are due by Consumer Societies which are no longer functioning:

Asamankese Consumers	..	846. 15. 8.
Adabraka	--do--	45. 17. 5.
Elmina	--do--	<u>1. 17. 5.</u>
		<u>£894. 10. 6.</u>

Of these Societies Asamankese has a sum of £25 held by the Co-operative Wholesale Establishment Limited in respect of members share Capital, and according to the Establishment's Bye-laws this sum may be set off against the amount due to the Establishment by this Society.

At the date of our audit, with the exception of the following, the remaining balances were still active:

Akropong	.. ..	53. 5. 2.
Cape Coast	.. ..	1,618. 12. 9
Gold Coast Marketing Association	.. ..	272. 15. 5
South Christiansborg..		<u>238. 17. 9</u>
		<u>£2,183. 11. 1</u>

STOCKS

Goods - £172,205. 11. 5.
Stationery £1,415. 11. 2.

These are the balances appearing in the books of the Establishment at 27th June, 1953. At the date of our audit the inventories had not been completed, but they have since come to hand.

The differences between the Book Values and physical

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Accra, 12th February, 1954

inventories are summarised thus:-

	<u>Book Value</u>	<u>Inventory Value</u>
Accra	115,969.12. 5.	94,842.16. 4
Kumasi	53,359. 3. 9.	41,395.18. 7
Takoradi	<u>4,292. 6. 5.</u>	<u>4,111. 2. --</u>
	£ <u>173,621. 2. 7.</u>	£ <u>140,349.16.11.</u>

The inventory value has been calculated by the stock-takers at local market realisation value to the best of their knowledge while the book value is based on landed costs. The difference between the two totals therefore reflects the stocktakers' estimate of the physical deterioration of the stock since date of purchase.

During the year we note that in the Accra store stock deficiencies amounting to £71. 1. 4 were partially set off by surpluses of £43. 1. 0. We are informed that these were revealed by physical stock-checks taken throughout the year. The net difference of £27. 10. 4 has been debited to Mr. G.H. Mettle's Stores Deficit Account which has been increased by this amount from £69. 8. 0. at 28th June, 1952 to £96. 18. 4 at 27th June, 1953. Mr. Mettle has lodged a security deposit of £210.

We have not, however, had evidence of these stock-checks and resulting deficiencies produced to us in the form of properly certified inventories and we are unable therefore to comment on their accuracy.

Goods in Transit £13,294. 19. 0.

At the date of our audit £12,805. 12. 9. of this sum had been received into stock, the £19.14.10 written off to shortlandings and the balance of £469. 12. 2 was still in transit.

Claims Outstanding £2,666 11. 5.

We have been unable to verify whether all claims which should have been initiated in respect of damaged and shortlanded goods have in fact been made owing to

the insufficiency of data in the records kept in this respect and it would appear that there has been extreme slackness on the part of the staff concerned in submitting these claims before the expiry of the requisite time limit, thus necessitating the writing off of such claims now out of date.

Staff Trading Accounts £1,004. 17. 2.

These balances are detailed in Schedule No. 10 and include an amount of £809. 11. 8 debited to Mr. Bahun in respect of the accident involving August Pick-Up Truck, AD. 2328.

At the date of our audit the following balances had not decreased:

Trading Accounts

I.K. Amoah	..	9. - -	Last payment to A/c. August 1952
Driver Kotey	..	- 6. 6.	Incurred 1951
Yaw Adu	..	1. - -	Last payment to A/c. May, 1953.
		<u>£ 10. 6. 6.</u>	

Store Deficit Accounts

G.H. Mettle, Accra	96. 18. 4
S.K. Sarpong, Takoradi	.. <u>256 5. -</u>
	<u>£ 122. 3. 4</u>

Staff Advances £1,209. 17. 2.

These balances are detailed in Schedule No. 11. Regular repayments are being made in all cases except the following:

S.K. Chapman	£133. 12. 2	Last payment to account April 1953
B.A. Grant	- 16. 8	Last payment to account April 1953
Oklu Kofi	1 - -	Incurred 1951.

Sundry Debtors £648. 15. 9

This amount is made up as follows:

U.A.C. Commission	.. ..	560. - -
Share Dividend	.. ..	40. - -
Sundry Lorry Hires	.. ..	2. 12. 6
Colonial Government Managing Director's Salary	.. ..	29. 7. 5
Ignace de Souza	.. ..	10. - -
R.D. Nelson	.. ..	5. 5. 3
A.E. Chinbuah	.. ..	14. 7
C.D. Odonkor	.. ..	- 16. -
		<u>£ 648. 15. 9</u>

Accra, 12th February, 1954

With the exception of Sundry Lorry Hires none of these accounts had been cleared at the date of our audit.

Commissions on U.A.C. Purchases

In past years commission has been received on purchase of prints from United Africa Co. Ltd. at the rate of 5% on purchases of which 3% was passed on to Consumer Societies and 2% retained by the Establishment. This sum was intimated to the Establishment by the United Africa Co. Ltd., yearly. An intimation that approximately £1,400 was the amount due for 1952/3 has been received from the United Africa Co. Ltd. since the accounts were made up and no provision had been made in the Establishment's books. We have accordingly provided 2/5th of this amount as commission receivable during the year subject to confirmation by the United Africa Co. Ltd.

Managing Director's Salary

During the year £1,697.11. 7 was received from the Department of Co-operation in respect of the Managing Director's salary but the salary and allowances paid to him exceeded this sum by £29. 7. 5. We have been informed that this sum will be recovered from the Department of Co-operation during the current year.

Prepaid Charges £998.12.10

These are detailed as follows:

Motor Licences	..	..	51.	-	-
Insurance	..	..	797.	12.	10
Rent	..	..	150.	-	-

£998. 12 10

Cash at Bank

- i) Gold Coast Co-operative Bank Ltd
Kumasi, £101. 6. 10

We have reconciled this balance with a certificate and statements received from the Co-operative Bank, Kumasi.

- ii) Gold Coast Co-operative Bank Ltd.
Accra, Current A/c No. 2. £178. 19. 3.

This sum represents the balance of a grant in aid of the Managing Director's salary received from the Department of Co-operation and has been verified by reference to a

Accra, 12th February, 1954

certificate received from the Bank.

Suspense Debtors £2,772. 9. 9.

This sum is made up of balances in respect of Cash and Stores Deficits charged to the following in 1951/2 -

B.K. Addo, Accra	00	00	00	00	1,190.	18.	2.
C.O. Abbeyie, Kumasi	1,766.	18.	-				
<u>Less</u> Security deposit & amount at credit of Provident Fund					185.	6.	5
					<u>1,581.</u>	<u>11.</u>	<u>7</u>
					£ 2,772.	9.	9

Trading Account

The Gross Profit percentage to Sales Turnover was 2.78% before charging transport and freight charges from shipping point to store, The cost to Consumer Societies was arrived at theoretically by the addition of 15% on landed cost to cover overheads. We noted that on considerable sales invoices this had not been done and we were informed that a considerable quantity of goods had to be disposed of at prices well below cost. The reasons given for this were deterioration of goods in store and slumps in market value since purchase. No authorities for the disposal of such items were produced to us.

G E N E R A L L Y

The audit of the records for the year ended 27th June, 1953, was done in conjunction with that for the period 1st. April 1951 to 28th June, 1952, and our remarks from the audit point of view on the unsatisfactory original records kept by the Establishment in respect of the period ended 28th June, 1952, hold equally good for the year ended 27th June, 1953.

We found that for the year to which this report refers the financial records had been reproduced by members of the Department of Co-operation staff from the original records kept by the Establishment.

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Accra, 12th February, 1954

certificate received from the Bank.

Suspense Debtors £2,772. 9. 9.

This sum is made up of balances in respect of Cash and Stores Deficits charged to the following in 1951/2 -

B.K. Addo, Accra	°° °° °° °°	1,190. 18. 2.
C.O. Abbeyie, Kumasi	1,766. 18. -	
<u>Less Security deposit</u>		
& amount at credit of Provident Fund	<u>185. 6. 5</u>	<u>1,581. 11. 7</u>
		<u>£ 2,772. 9. 9</u>

Trading Account

The Gross Profit percentage to Sales Turnover was 2.78% before charging transport and freight charges from shipping point to store. The cost to Consumer Societies was arrived at theoretically by the addition of 15% on landed cost to cover overheads. We noted that on considerable sales invoices this had not been done and we were informed that a considerable quantity of goods had to be disposed of at prices well below cost. The reasons given for this were deterioration of goods in store and slumps in market value since purchase. No authorities for the disposal of such items were produced to us.

GENERALLY

The audit of the records for the year ended 27th June, 1953, was done in conjunction with that for the period 1st. April 1951 to 28th June, 1952, and our remarks from the audit point of view on the unsatisfactory original records kept by the Establishment in respect of the period ended 28th June, 1952, hold equally good for the year ended 27th June, 1953.

We found that for the year to which this report refers the financial records had been reproduced by members of the Department of Co-operation staff from the original records kept by the Establishment.

(1b)

Accra, 12th February, 1954.

No serious attempt had been made by the Establishment staff to reconcile Suppliers or Consumers Accounts until after the end of the financial year under review although the control of cash had been tightened up considerably since the discovery of the Cash Defalcations in March, 1952. Stores control was still practically non-existent and no attempts had been made to introduce methods whereby deteriorated or overaged stocks could be written off and disposed of otherwise.

The inability of the staff to keep the records up to date, together with slackness in supervision, and an unwieldy bookkeeping system have without doubt led to the confused and inaccurate original records of the Establishment.

We shall be pleased to supply you with any further information you may require.

We are, Dear Sir,

Yours faithfully,

CASSELTON ELLIOTT & CO.

THE GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD -1952/3

MEMBERS' SHARE CAPITAL ACCOUNTS AT 27TH JUNE, 1953

Aburi	.. ..	25.	-	-
Accra	.. ..	1,016.	-	-
Adansi	.. ..	40.	-	-
Agona (Ashanti)	.. ..	26.	-	-
Agona (Swedru)	.. ..	227.	-	-
Ahafo	.. ..	400.	-	-
Akropong	.. ..	25.	-	-
Ashanti Akim	.. ..	600.	-	-
Assamankese	.. ..	25.	-	-
Bekwai Area	.. ..	1,500.	-	-
Bogusu	.. ..	300.	-	-
Cape Coast	.. ..	600.	-	-
Ejura	.. ..	35.	-	-
Keta	.. ..	400.	-	-
Kibi	.. ..	25.	-	-
Kumasi	.. ..	2,000.	-	-
Gold Coast Marketing Association		910.	-	-
Mampong	.. ..	10.	-	-
New Juabeng	.. ..	25.	-	-
Nsuta	.. ..	10.	-	-
Nkawkaw	.. ..	378.	-	-
Nsawam	.. ..	25.	-	-
Northern Transvolta	.. ..	10.	-	-
Oda	.. ..	50.	-	-
Okere	.. ..	25.	-	-
Sechere	.. ..	95.	-	-
Sekondi-Takoradi	.. ..	500.	-	-
South X'borg	.. ..	10.	-	-
Sunyani	.. ..	1,190	-	-
Tarkwa	.. ..	300.	-	-
Techiman	.. ..	100.	-	-
Transvolta (Tsito)	.. ..	120.	-	-
Winnebah	.. ..	63.	-	-
Bosuso	.. ..	10.	-	-

£11,075. - -

THE GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LIMITED 1952/3BALANCES ON STAFF PROVIDENT FUND AT 27TH JUNE, 1953.

S.T. Addy	.. ..	95.	1.	2
B.K. Addo	.. ..	31.	10.	5
Ehi Agyepong	.. ..	25.	5.	1
J.S. Akwei	.. ..	34.	-	11
B.A. Akuffo	.. ..	26.	3.	4
E.H. Amegashie	.. ..	57.	7.	2
I.K. Amoah	.. ..	34.	11.	4
A.K. Arthur	.. ..	29.	10.	7
G.K. Ashley	.. ..	94.	14.	5
C.L. Bannerman	.. ..	45.	4.	4
S.E. Boateng	.. ..	45.	6.	5
Martin Boateng	.. ..	12.	19.	10
S.K. Chapman	.. ..	96.	6.	2
H.W. Chapman	.. ..	30.	11.	8
R.L. Danquah	.. ..	60.	17.	10
J. Frempong	.. ..	31.	17.	6
B.A. Grant	.. ..	26.	7.	5
Kojo Ashrifi	.. ..	13.	18.	2
B.H. Kpodo	.. ..	58.	9.	-
J.O. Lamptey	.. ..	12.	8.	-
S.I. Mensah	.. ..	59.	8.	-
Carl Nauman	.. ..	13.	2.	2
G. Hanson Mettle	.. ..	97.	10.	-
J.Q. Okai	.. ..	39.	3.	9
W. Okai	.. ..	48.	11.	9
S.E. Owusu	.. ..	15.	10.	0
Quaye Ayitey	.. ..	30.	10.	-
Quaye J. Armah	.. ..	15.	9.	-
J.K. Sarpey	.. ..	43.	12.	10
E.A. Tagoe	.. ..	28.	13.	10
R.R. Williams	.. ..	58.	9.	0
M.A. Yeboah	.. ..	11.	12.	5
Emmanuel Dodoo	.. ..	18.	1.	10
S.G. Quartey	.. ..	9.	-	5
Adu Yao	.. ..	7.	7.	7
E.D. Ayisi Osafo	.. ..	12.	11.	2
P.A. Aryeetey	.. ..	5.	14.	10

£ 1,376. 19. 4

SCHEDULE NO. 3.

THE GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LIMITED

TRADE CREDITORS AS AT 27TH, JUNE, 1953.

Austin & Young, London	..	..	81.	11.	2
Carr Day & Martin, London	..	..	1.	7.	-
C.W.S. Manchester	..	..	249.	2.	3.
Edelackbaa Signarenfabricken, Holland			-	-	6
Eno's Limited	..	..	-	-	10
Quaker Oats Production Company	..		442.	10.	-
Wm. Sutcliffe Ltd., Manchester	..		2.	16.	8
Henry Sutton	..	..	22.	19.	3
Wilkinson & Riddell, Birmingham	..		-	2.	-
			<u>£ 800.</u>	<u>9.</u>	<u>8</u>

SCHEDULE NO. 4.

AMOUNTS DUE TO CONSUMER SOCIETIES IN RESPECT OF
ADVANCE PAYMENTS AS AT 27th JUNE 1953

Aburi Consumers	..	..	4.	-	8
Kibi -do-	..	..	8.	3.	2
New Juabeng Consumers	..	..	36.	7.	7
Okere Consumers	..	..	11.	18.	9
Transvolta (Tsito)	..	..	<u>38.</u>	<u>5.</u>	<u>-</u>
			<u>£ 98.</u>	<u>15.</u>	<u>2</u>

SCHEDULE NO. 5.

THE GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LIMITED 1952/3SECURITY DEPOSITS AS AT 27TH JUNE 1953

J.K. Sarpey	.. ..	100.	-	-
C. Artwi	.. ..	200.	-	-
J. Neizer - Ashum	.. ..	100.	-	-
Eddy Entu	.. ..	200.	-	-
E. E. London	.. ..	100.	-	-
J. E. K. Tawia	.. ..	200.	-	-
B. K. Addo	.. ..	100.	-	-
E. H. Amegashie	.. ..	100.	-	-
G. H. Mettle	.. ..	210.	-	-
J. B. Ankrah	.. ..	200.	-	-
E. K. Richardson	.. ..	50.	-	-
A. Sarpong	.. ..	200.	-	-
Grace Badoe	.. ..	50.	-	-
A. Obeng	.. ..	200.	-	-
Daniel Acquah	.. ..	200.	-	-
T. K. Amankwa	.. ..	200.	-	-
D. K. Briffo	.. ..	200.	-	-
W. Okai	.. ..	100.	-	-
E. D. Ayisi Osafo	.. ..	200.	-	-
J. D. Ofusu	.. ..	100.	-	-

£ 3,010. - -

SCHEDULE NO. 6.THE GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LIMITEDSUNDRY CREDITORS AND ACCRUED CHARGES AS AT27TH JUNE, 1953

Bank Interest	.. ..	1,792.11. 1
Bank Charges	.. ..	36. 6. -
Telephone	.. ..	13.16. 9
Staff Transport	.. ..	20.12. 8
Rent & Rates	.. ..8	80. 2. 6
Imprest	.. ..	- 2. 7
U.A.C. Motors	.. ..	<u>5.13. 3</u>
		<u>£ 1,950. 4.10</u>

THE GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LIMITED

MOTOR VEHICLES AS AT 27TH. JUNE 1953

		Balance as at 28/6/52	Additions during Year	Realisations etc. during Year	Deprecia- tion for Year	Gain on Realisa- tions	Balance at 27/6/53
Austin Station Wagon	AR.6573	275. - -	130. - -	-	318. 6. 8	-	86.13. 4
5 Ton Bedford Truck	AR.5781	199. 5. -	-	240. - -	-	40.15	-
5 Ton Bedford Truck	AR.8026	437. 8. -	-	-	312. 8. 6	-	124.19. 6
5 Ton Bedford Truck	AR.8538	590. - 2	-	-	295. - 1	-	295. - 1
Austin Pick-Up	AD.2328	-	870. - -	809.11. 8	60. 8. 4	-	-
		£ 1,501.13. 2	1,000. - -	1,049 11. 8	986. 3. 7	40.15. -	506.12.11

SCHEDULE NO. 8THE GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LIMITED 1952/3SUPPLIERS ACCOUNTS - PAYMENTS IN ADVANCE AS AT 27THJUNE 1953

Alberto Soares Riberio Ltd	.. ..	15.	3
Austin & Young, London	.. ..	15,800.12.	5
Ayrton Saunders	.. ..	-	4
Wm. Grant & Sons Limited	.. ..	- 11.	5
Beecham Northern Limited	.. ..	1.	3
N.V. Brouwery d'Oranjeboom, Holland		2.	4.
D. Orangeboom Breweries Ltd. do	.. ..	2.	0.
H. Bronnert, Manchester	.. ..	46.18.	11.
Charles Twigg, London	.. ..	3.19.	9.
Cheseborough Mfg. Company, Johannesburg		11.	2.
Christy & Company, London	.. ..	27.18.	5.
Crosse & Blackwell, London	.. ..	- 17.	11
Coleman & Company Limited	.. ..	13.	1
M. Copeland & Sons, Manchester	.. ..	- 3.	6
Prexa Watch Limited	.. ..	10.10.	3
C.W.S. New York	.. ..	732.19.	4
Fresco Lecuwander, Denmark	.. ..	- 4.	8
Guinness Export Co., Liverpool	.. ..	12.	3
Herring Industries Board, Edinburgh		22.19.	3
H.J. Heinz & Co. Ltd., London	.. ..	-	2
Idris Limited, London	.. ..	- 9.	2
Makbell (Glass) Ltd., London	.. ..	5. 3.	7
J.L. Morrison, Son & Jones, London		54.19.	10
Peter Lunt & Company, Liverpool	.. ..	6.10.	1
J. Pollitt & Sons, Manchester	.. ..	10. 4.	1
Reckitt & Coleman Hull	.. ..	9. 9.	10
Runcolite Ltd., London	.. ..	58.11.	5
Rylands & Sons, Manchester	.. ..	- 19.	1
Solignum Limited	.. ..	2. 7,	0
Solomon Wetzler, London	.. ..	- 7.	5.
W. Tay & Sons, Sheffield	.. ..	18. 8.	2.
United Fish Cannerns Limited	.. ..	27.14.	5
Whyte Risdale & Company, London	.. ..	8.10.	11
M.T. Whitworth & Company, London	.. ..	26. 7.	8
Robin Hood Flour Mills	36.11.	11
Overseas Breweries Limited	25. 4.	-
		<u>£ 16,942.12.</u>	<u>3</u>

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SCHEDULE NO. 9.

THE GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LIMITED 1952/3

DEBTORS - CONSUMER SOCIETIES AS AT 27TH, JUNE 1953

Accra	.. ..	2,716. 3.10
Adansi	.. ..	387. 2.11
Adabraka	.. ..	45.17. 5
Agona (Ashanti)	.. ..	99.13. 8
Agona (Swedru)	.. ..	5,111. 8. 5
Ahafo	.. ..	4,027. 9. 6
Akropong	.. ..	53. 5. 2
Ashanti	.. ..	4,238. 7. -
Assamankese	.. ..	846.15. 8
Bekwai	.. ..	3,563.14. 6
Bogosu	.. ..	2,295. 5. 7
Cape Coast	.. ..	1,618.12. 9
Elmina	.. ..	1.17. 5
Ejura	.. ..	425. 8. 2
Keta	.. ..	2,941. 7. 7
Kumasi	.. ..	3,288.14. 1
Gold Coast Marketing Association		272.15. 5
Mampong	.. ..	127. 4. 4
Nsuta	.. ..	1,354.18.10
Nkawkaw	.. ..	5,704.19. 4
Nsawam	.. ..	1,995. 8. 3
Northern Transvolta (Jasikan)		423.13. 2
Oda	.. ..	7,275.10. 6
Sechere	.. ..	1,552.19. 4
Sekondi-Takoradi	.. ..	9,407.17. 4
S. X'borg	.. ..	238.17. 9
Sunyani	.. ..	4,039. - 5
Tarkwa	.. ..	3,384.19. 5
Techiman	.. ..	1,959. 5. 5
Transvolta (Tsito)	.. ..	1,830. 3.11
Winnebah	.. ..	993. 4. -
Bosuso	.. ..	18.15. 2

£ 72,240.16. 3

15

SCHEDULE NO. 10

THE GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LIMITED -1952/3

Staff Trading Accounts at 27th. June. 1953

E.H. Amegashie	.. ..	20. 8. -
I.K. Amoah	.. ..	9. - -
R.L. Danquah	.. ..	2. - -
Driver Kotey	.. ..	- 6 6.
G. Hanson Mettle	.. ..	96. 18 4.
S.K. Sarpey	.. ..	26. 5. -
Yao Adu	.. ..	1. - -
S.K. Chapman	.. ..	(Cr) 7. - -
E.D. Ayisi-Osafo	.. ..	40. 2. 8
S. Oduro	.. ..	6. 5. -
Adjetey Bahun	.. ..	809. 11. 8
		<u>£1,004. 17. 2</u>

SCHEDULE No. 11

STAFF ADVANCES AT 27TH JUNE 1953

J. Frempong	.. ..	4. 10. -
J.O. Akwei	.. ..	6. 13. 4
I.K. Amoah	.. ..	10. - -
E.K. Ashley	.. ..	9. - -
E.H. Amegashie	.. ..	6. 6. 8
A.K. Arthur	.. ..	5. - -
T.M. Kodwo-Mercer	.. ..	916. 11. 8
S.E. Boateng	.. ..	10. 6. 8
Ajetey Bahun	.. ..	43. 6. 8
S.K. Chapman	.. ..	133. 12. 2
E.M. Agyepong	.. ..	7. 10. -
H.W. Chapman	.. ..	8. 13. 4
R.L. Danquah	.. ..	7. 13. 4
W.K. Okai	.. ..	14. 3. 4
B.A. Grant	.. ..	- 16. 8
Kojo Ashrifie	.. ..	1. 10. -
B.H. Kpodo	.. ..	6. - -
Oklu Kofi	.. ..	1. - -
Quaye Ayitey	.. ..	6. 13. 4
E.A. Tagoe	.. ..	4. 6. 8
E.K. Owusu	.. ..	2. - -
M.A. Yeboah	.. ..	4. 3. 4
		<u>£1,209. 17. 2</u>

THE GOLD COAST CO-OPERATIVE WHOLES

TRADING AND PROFIT AND LOSS ACCOUNT FOR

To Stocks - 28th June, 1952		192,278	6	2
Goods in Transit -do-		21,995	2	11
		<hr/>		
Purchases		214,273	9	1
Customs Duty		136,306	13	9
Handling & Port Charges		14,159	-	8
Sundries		2,062	19	-
Gross Profit Carried Down		65	3	9
		<hr/>		
		5,074	9	4
		<hr/>		
	£	371,941	15	7
		<hr/>		
To Salaries & Wages -				
Managing Director		1,726	19	-
Others		8,293	11	11
General Labour		152	19	6
		<hr/>		
		10,173	10	5
Bank Interest	9,472	10	6	
Bank Charges	1,182	2	8	
		<hr/>		
		10,654	13	2
Carriage & Transport		2,624	10	4
Insurances		1,249	5	1
Repairs & Renewals		538	16	9
Committee Expenses		213	13	3
Survey Fees & Claims		193	8	6
Stationery, Advertising & Printing		547	18	6
Posts, Telephones & Telegrams		292	4	8
Rent & Rates		1,029	16	6
Contributions to Staff Provident Fund		223	6	10
Electricity & Water		113	16	-
Staff Travelling		469	5	7
Miscellaneous		164	10	11
Interest on Provident Fund		37	6	10
Depreciation:				
Motor Vehicles	986	3	7	
Plant, Furniture & Fittings	113	3	5	
		<hr/>		
		1,099	7	-
		<hr/>		
	£	29,625	10	4
		<hr/>		

ESTABLISHMENT LIMITED.

YEAR TO 27TH JUNE, 1953.

By Sales			182,231	1	9
Stocks - 27th June, 1953	172,205	11	5		
Goods in Transit -do-	<u>13,294</u>	<u>19</u>	<u>9</u>	185,500	11 2
Claims Received			4,210	2	8

£ 371,941 15 7

By Gross Profit Brought Down			5,074	9	4
Investment Income:					
On C.W.E. Shares	40	-	-		
On Purchases	29	14	-		
On Staff Security Deposits	<u>24</u>	<u>7</u>	<u>6</u>	94	1 6
U.A.C. Commission			560	-	-
Lorry Earnings			225	4	9
Managing Director's Salary - Grant-in-Aid			1,726	19	-
Committee Expenses Refund			153	7	8
Rents Receivable			24	10	-
Sundry Revenue			21	10	-
Gain on Realisation of Vehicles			40	15	-
Net Loss for Year			21,704	13	1

£ 29,625 10 4

THE GOLD COAST CO-OPERATIVE WHO
BALANCE SHEET AS AT 2

LIABILITIES

<u>MEMBERS SHARE CAPITAL</u>	11,075	-	-	
<u>LOAN ACCOUNT - GOLD COAST GOVERNMENT</u>	100,000	-	-	
<u>STAFF PROVIDENT FUND</u>	1,376	19	4	

CURRENT LIABILITIES

Trade Creditors	800	9	8	
Consumer Societies	98	15	2	
Security Deposits	3,010	-	-	
Sundry Creditors & Accrued Charges	1,950	4	10	
Bank Overdrafts:-				
Gold Coast Co-operative Bank-				
Accra Account No.1	194,742	2	10	
Liquidator's Current Account	28,150	11	4	228,752
				3 10
<u>SUSPENSE ACCOUNT</u>				933 4 -

£ 342,137 7 2

To The Members of Gold Coast Co-operative Wholesale Establishment
 Subject to the remarks contained in our report of even date
 Balance Sheet from the Books and Records of the Establishment and
 our opinion such Balance Sheet is drawn up so as to exhibit a true
 to the best of our information and explanations given to us and as
ACCRA, 12TH FEBRUARY, 1954

ESTABLISHMENT LIMITED
JUNE, 1953

FIXED ASSETS

<u>Motor Vehicles</u> Balance at 29th							
June, 1952	1501	13	2				
Additions at Cost	1000	-	-				
	<u>2,501</u>	<u>13</u>	<u>2</u>				
Less Realisations etc 1,008	16	8					
Depreciation	<u>986</u>	<u>3</u>	<u>7</u>	1,995	-	3	506 12 11
<u>Plant, Furniture & Fittings</u> Balance							
at 29th June, 1952	1,022	16	5				
Additions at Cost	108	18	-				
	<u>1,131</u>	<u>14</u>	<u>5</u>				
Less Depreciation	<u>113</u>	<u>3</u>	<u>5</u>				1,018 11 -
							<u>1,525 3 11</u>
<u>Investments</u>							
Gold Coast Co-operative Bank Ltd.	1,000	-	-				
Co-operative Wholesale Society Ltd.	200	-	-				
Gold Coast Co-operative Bank Ltd.-							
Staff Provident Fund	1,300	-	-				
Staff Security Deposits	<u>3,274</u>	<u>7</u>	<u>6</u>				5,774 7 6

CURRENT ASSETS

Suppliers Accounts - Advance P/ments	16,942	12	3				
Consumer Societies	72,240	16	3				
Stocks in Hands - Goods	172,205	11	5				
- Stationery	1,415	11	2				
Goods in Transit	13,294	19	9				
Customs Duty paid on Goods in Transit	44	15	2				
Claims Outstanding	2,666	11	5				
Staff Trading Accounts	1,004	17	2				
Advances to Staff	1,209	17	2				
Sundry Debtors	648	15	9				
Prepaid Charges	998	12	10				
Cash at Bank							
Gold Coast Co-operative Bank Ltd.,							
Kumasi	101	6	10				
-do- -do- Accra							
Current A/c.No.2	178	19	3				
Suspense Debtors	<u>2,772</u>	<u>9</u>	<u>9</u>				285,725 16 2

PROFIT & LOSS ACCOUNT

Balance at 29th June, 1952	27,407	6	6				
Add Loss for Year to 27th June 1953	<u>21,704</u>	<u>13</u>	<u>1</u>				49,111 19 7
							<u>£ 342,137 7 2</u>

ed:
 hed hereto, we have to report that we examined and prepared the above
 the information and explanations we have been able to obtain. In
 air view of the state of the affairs of the Establishment according
 by the Books of the Establishment.

CASSLETON, ELLIOTT & CO..
 Auditors.

THE GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT, LIMITED
IN LIQUIDATION

Accounts as at 31st January 1954

1. Expenses Account

Rents & Rates		240. 13. 6
Electricity & Water		98. -. 2
<u>Repairs</u>		
Land & Buildings	2. 16. -	
Fixtures & Fittings	3. 9. 6	
Rolling Stock	<u>140. 12. 7</u>	146. 18. 1
<u>Carriage & Transport</u>		
Goods	1317. 4. 9	
Staff	<u>352. 16. 4</u>	1670. 1. 1
Liquidators Transport allowances		152. 10. 6
<u>Salary & Wages</u>		
Office & Administration	5121. 6. 2	
Other	52. 16. 2	
Adj. T.M. Kodwo Mercer	<u>552. 15. 6</u>	5726. 17. 10
Liquidators Remuneration		3026. -. -
Printing & Stationery		34. 2. 2
Postages, Telegrams, Telephones		64. 7. 11
Provident Fund Employer		21. 18. 8
Bank Charges		147. 15. 4
Miscellaneous		27. 8. 6
		<hr/>
		11,356. 13. 9
Less Bank Interest (Account per last balances sheet but not yet charge ^d)		<u>1,452. 8. 7</u>
		<u>£ 9,904. 5. 2</u>

THE GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT, LIMITED
IN LIQUIDATION

Accounts as at 31st January 1954

1. Expenses Account

Rents & Rates		240. 13. 6
Electricity & Water		98. -. 2
<u>Repairs</u>		
Land & Buildings	2. 16. -	
Fixtures & Fittings	3. 9. 6	
Rolling Stock	<u>140. 12. 7</u>	146. 18. 1
<u>Carriage & Transport</u>		
Goods	1317. 4. 9	
Staff	<u>352. 16. 4</u>	1670. 1. 1
Liquidators Transport allowances		152. 10. 6
<u>Salary & Wages</u>		
Office & Administration	5121. 6. 2	
Other	52. 16. 2	
Adj. T.M. Kodwo Mercer	<u>552. 15. 6</u>	5726. 17. 10
Liquidators Remuneration		3026. -. -
Printing & Stationery		34. 2. 2
Postages, Telegrams, Telephones		64. 7. 11
Provident Fund Employer		21. 18. 8
Bank Charges		147. 15. 4
Miscellaneous		27. 8. 6
		<hr/> 11,356. 13. 9
Less Bank Interest (Account per last balances sheet but not yet charged)		<u>1,452. 8. 7</u>
		<hr/> <hr/> £ 9,904. 5. 2

THE GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT, LTD

IN LIQUIDATION

ACCOUNTS AS AT 31ST JANUARY 1954.

Dr.	II TRADING ACCOUNT		
Stocks as at last Balance sheet	186916.	2.	4
Add. Purchases at cost	21,053.	14.	9
Custom Duty & Port Charges	112.	6.	9
Survey Fees	1006.	1.	1.
Goods Returns (Excess over credit sales)	19,029.	7.	8.
			By Stock-Stationery
			" Sales of Goods
			" Balance being gross loss transferred to final revenue account
			485.11. 2
			59,374.14. 7
			168,257. 6.10
	<u>£228,117.</u>	<u>12.</u>	<u>7</u>
			£ 228,117.12. 7

THE GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT, LTD
IN LIQUIDATION

ACCOUNTS AS AT 31ST JANUARY 1954

DR.	III FINAL REVENUE		CR
To Gross from Trading Account II	168257. 6.10	By Lorry Earnings	-.12. -
" Expenses as per Account I	9904. 5. 2	" Grants in Aid	2000. -. -
" Balances and Bad Debts	786. 19. 7	" Balances being net loss for period	185119.19. 1
" Bank Interest charges accrued due	7984. 9. 6	"	
" Audit Fees accrued due	187. 10. -		
	£187120. 11. 1		£ 187120.11. 1
	£187120. 11. 1		£ 187120.11. 1

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LIQUIDATORS
THE GOLD COAST CO-OPERATIVE WHO
IN LIQUIDATION
IV BALANCE SHEET AS AT 31st

LIABILITIES

Share Capital			11,075.	0.	0d.	
Security Deposits			2,270.	12.	2.	
Staff Provident Fund	626.	18.	5.			
" Medical Fund	1.	0.	0.			
Imprest Balance		<u>2.</u>	<u>7.</u>	628.	1.	0.
Suspense Creditors				8,724.	15.	0.
<u>Loans</u>						
G. C. Government	100,000.	0.	0.			
Overdraft Frozen	<u>194,742.</u>	<u>2.</u>	<u>10.</u>	294,742.	2.	10.

ACCOUNTSWHOLESALE ESTABLISHMENT LIMITEDSTATEMENT

AS AT JANUARY, 1954.

ASSETSProperty

Fixtures & Fittings

808. 3. 8.

InvestmentsShareholding Co-op. Bank
" C.W.S. (Manch)1,000. 0. 0d.
200. 0. 0.

1,200. 0. 0.

Sinking FundSavings A/c.
(Security Deposit)
Fixed Deposit
(Prov. Fund)3,274. 7. 6.
1,300. 0. 0

4,574. 7. 6.

Stocks

Stationery Stock

485. 11. 2.

DebtorsSocieties
Merchants
Sundry Trading Account
Staff Trading Account
Merchants Expenses
Staff Advances45,078. 17. 10.
2,150. 2. 1.
6. 15. 10.
3,720. 10. 11.
4. 6. 9.
941. 2. 1.

51,901. 15. 6.

CashLiquidators Current A/c
Kumasi Bank A/c
Accra Cash
Current A
Account II23,252. 9. 1.
610. 7. 5.
23. 18. 3.
178. 19. 3.

24,065. 14. 2.

Trading LossesAs per last Balances
sheet at 27.6.53.

49,285. 0. 1.

As per Income &
Expenditure a/c II

185,119. 19. 1.

234,404. 19. 0.£ 317,440. 11. 0.

GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT, LIMITED

Suspense Creditors

M. Kodwo Mercer Salary, Gratuity and Earned leave due	£ 552.	15.	6
Assleton Elliott & Co Audit Fees due	187.	10.	-
Co-operative Bank, Bank interest due on Frozen Account	7984.	9.	6
	£ 8724.	15.	-

THE GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT, LIMITED

Suspense Creditors

T.M. Kodwo Mercer Salary, Gratuity and Earned leave due	£ 552.	15.	6
Cassleton Elliott & Co Audit Fees due	187.	10.	-
Co-operative Bank, Bank interest due on Frozen Account	7984.	9.	6
	<u>£ 8724.</u>	<u>15.</u>	<u>-</u>

THE GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LIMITED

Additional Liabilities & Depreciation of Assets
C.W.E. Ltd. 22nd February, 1954.

Liquidators' Travelling allowances	£ 78. -- -
Staff Salaries February, 1954	334.19. 4
" " March "	334.19. 4
Sundry Expenses (Telephone, Electricity, Postages)	
Staff Transport Approx.	120. -- -
Depreciation on Fixtures & Fittings	708. 3. 8
" " Stationery Stocks	400. -- -
" " Societies Debts	32,000. -- -
" " Sundry Trading	6.15.10
" " Staff Trading	3,400.14. 7
" " Merchants Expenses	4. 6. 9
" " Staff advances	378.12. 1
	<hr/>
	£ 37,766.11. 7
	<hr/> <hr/>

THE HEARING OF DISPUTES.
UNDER
THE CO-OPERATIVE SOCIETIES ORDINANCE,

(Prepared by Mr. M.G. Hewson).

PART 1 - THE LAW OF ARBITRATIONS.

The law relating to disputes in which co-operative societies are concerned is laid down in section 44 of Ordinance 15 of 1937. Briefly this states that when a dispute, including a claim for debt, exists touching the business of a registered society -

- (a) between the society or its agent and any member, past member, or person claiming through a member,
- (b) between the society and its officer or servant,
- (c) between two societies,

the matter shall be referred to the Registrar for decision.

Note:

(a) it must be about the business of a society and must not be about land rights;

(b) the reference is mandatory;

(c) the section would not apply to an unregistered body, or a society in liquidation;

(d) it does not cover complaints by a member of one society against another society, or by a society against an employee of another society - such matters have to be taken up by the two societies concerned;

(e) it does not apply to claims by a society against an independent contractor or other third party: while; like other disputes, these can by prior or subsequent agreement be submitted to arbitration, it would seem that a favourable decision should be treated like any other external award, and an action filed in the appropriate Court to obtain judgment in those terms.

Note also that this section does not mean that every disagreement must at once be referred in this manner; preliminary effort should normally be made by way of demand, etc., to achieve settlement but when it appears that settlement is unlikely, the section becomes applicable.

2. Section 66 sub-section (1) of the same Co-operative Societies Ordinance lays it down that Regulations may prescribe the procedure to be followed in determining such disputes, and Regulation 20 of 1937 lays down at section 32 that the statements of the parties and their witnesses shall be reduced to writing and, after consideration of these and documents tendered, a decision shall be given in accordance with "justice, equity and good conscience".

3. Now the general authority as to arbitrations in the Gold Coast is the Arbitrations Ordinance of 1928 Chapter 16 of the Gold Coast Laws which is based on the United Kingdom Act of 1889. Arbitrations may arise in one of three ways:

- (a) without reference to a Court or legislation (for instance family disputes under native custom),
- (b) by consent of Court and reference in a matter before it, and
- (c) by specific provision of statute.

It is with the last that we are concerned here and, as to these, Section 20 of Chapter 16 states that the provisions of that Ordinance shall apply, "save when inconsistent with any procedure laid down under the particular ordinance concerned" - in this case No. 15 of 1937.

4. A close perusal of Chapter 16 will however disclose little of significance. It is of course an axiom that the supreme authority in the British System of Government is the Judiciary, and when a phrase like "justice, equity and good sense" is used in Regulation 20 as in the same declaration acknowledging the validity of law, it is the Judiciary which must be the ultimate judge as to what is equitable and what is legal. Thus Chapter 16 merely confirms that the Court has power to remove an arbitrator and set aside an award for misconduct. Mistake of fact or law does not amount to misconduct. Taking of bribes would amount to this; so would proof that the arbitrator was an interested party; or had refused jurisdiction; or had not allowed a party to be heard; or was not prepared to decide on the evidence. Again common sense, as well as common law, would indicate that an arbitrator must be bound by the terms of reference: if the claim is for a debt he cannot award a wife. Obviously the Courts must have a right to challenge and rectify such mistakes. The other relevant powers of the Courts are to compel witnesses to attend, to compel the arbitrator to expedite his award, and to compel him to state a case on point of law; this latter is specifically ousted in England by the Friendly Societies Act of 1896.

5. Having given an indication of the general control of the Courts in such matters - the position as regards execution will be dealt with later - it remains to emphasise what the Courts do not do. They have no jurisdiction to consider matters which are disputes under section 44 of the Co-operative Societies Ordinance, or to review an award made in accordance with any procedure laid down and without evidence of misconduct (Catt & Wood 1910 AC 404). The general dictum governing arbitrations is that the parties take their arbitrator, for better or worse, both in matters of fact, and in matters of law.

PART 2 - THE REFERENCE FOR DECISION

6. It will be noted that at least one party to every dispute is a Society, and the question of who is, or are, the proper parties to represent the Society in the dispute is a question of fact for which, as a rule, authority should appear in the Society's Minutes Book. Where several parties appear responsible, i.e. debtors and sureties, the claim can be made against them "jointly and severally"; (that is an award is sought against each separately for the entire sum though of course such sum can actually only be collected once).

7. It is of the greatest importance that the matter of dispute and the remedy sought (sum of money to be paid, act to be done, etc.) should be clearly and comprehensively stated, as the arbitrator will be bound to the terms of the reference. He cannot award more than is asked, and if a part is erroneous it may well prove that the whole has to fail.

8. It will generally be the duty of the Junior Officer on the spot to assist in preparing the reference, Form A, and often he should also give evidence as to the facts; for these reasons, if the claim is liable to be disputed, it is undesirable that he should hear the matter: so also, if an officer has taken any previous active part in relevant enquiries, but not merely because, in the course of his duties he had learnt that such an issue existed.

9. The present form provides suggestions for the person of the arbitrator. If both parties agree to a person that is ideal but the procedure in which the claimant unilaterally suggests the arbitrator does not appear too happy. Save where there is agreement therefore, I think suggestions are best left to the Assistant Registrar. The triple reference in the form is to complicated disputes where it seems desirable that that each party should nominate one arbitrator, and the Registrar the third: this course is rarely adopted.

PART 3 - THE HEARING OF THE DISPUTE

10. After the Registrar has appointed the arbitrator by the issue of Form B, the next step is the arrangements by the arbitrator for the hearing of the dispute. For this purpose he will usually fix a convenient venue, often the Society premises, and a date, a week or two ahead. He will then issue a Hearing Notice, Form D, and it is a wise procedure to endorse on this that it is intended to proceed ex-parte in the case of unexcused absence.

11. The next problem is the service of the notice. This may sometimes be done by registered post but it is more usual to enlist the services of the local Government Junior Officer of Union Secretary. It is not a proper procedure to employ for this purpose the assistance of officers of a Society which is a party to the dispute; though where the claim is for arrears of loans evidence by loan bonds the practice is open to less objection. Where it is clear that a party is dodging service, posting at the Society premises, together with service at the last known residence, would be adequate.

12. The first act of the Arbitrator in opening the proceedings, at the time and place appointed, is to record as follows:

"In the matter of a dispute under the Co-operative Societies Ordinance before.....Arbitrator referred by order of the Registrar dated..... Heard aton Present the following parties: for the Society.....1st Party, etc."

13. He will then have to consider the question of absence of any of the principal parties to the dispute. If no excuse has been received, he will proceed to ask for proof of service, which is best called on oath. Provided that he is satisfied on this score and has made a note accordingly on the Record, he will proceed ex-parte; but he must still satisfy himself that the case against the absentee is proved. If an excuse is offered he will consider its merits. If a reasonable one, a single adjournment should normally be granted, and those present informed that the matter will proceed on the next occasion, even if the party is absent, and that should the excuse be on medical grounds, a certificate from a medical practitioner, or other most reliable source, must be received before further adjournment will be even considered. It must be remembered that arbitrators have a duty to discharge their functions with expedition and, while all reasonable opportunity for presentation of a case should be granted, they must not allow themselves to be made parties to a game of procrastination.

14. The Arbitrator should commence proceedings by reading the Reference, Form A, and inviting the party or parties against whom the claim is made to notify acceptance or denial of liability. The Arbitrator should take care to study the wording of the form as it determines the scope of the proceedings. There is of course nothing legally wrong with such references as "all matters in dispute" but generally the reference will be most specific.

15. The following are some points for general guidance as to the conduct of proceedings:

(1) Avoid legal words: Among inapplicable words are such as "plaintiff, defendant, accused, guilty, judgment". The names appearing in the Reference should be denoted as the "1st party, 2nd party, 2nd party, 3rd party, etc."; the matter is a "dispute" referred for "decision" and the operative part of the Arbitrator's decision is his "award". Legal words have naturally legal implications, and with these it is unlikely that the Arbitrator will be fully familiar; for this if for no other reason, it is best that they should be avoided.

(2) Verbal Evidence: Either the 1st party to the dispute and his witnesses can be first heard, followed by the 2nd party and his witnesses, etc., or else the principal parties can each be called in turn to give statements of the matters in dispute and the witnesses then be heard. This latter procedure has the advantage, in more complicated disputes, of helping to find out at an early stage what is really in issue: sometimes it is even necessary to grant an adjournment and get further particulars in writing.

(3) It is advisable to ask in the initial stages that the parties nominate their witnesses and then to put them out of hearing. When a witness gives evidence the party calling him should be prevented from suggesting answers; subsequently the party against whom the evidence is supposed to bear should be given the opportunity of asking relevant questions and if this brings out anything new and of importance the 1st party should be allowed to examine again but solely on those new points.

(4) Written Evidence: As far as possible, copies of communications between Parties and the Arbitrator should be sent to the other Parties. At the hearing one Party may wish to put some documents in evidence, and the Arbitrator should form his views as to whether they are relevant and genuine; he should also make a note of any objection from the other Party. If he is in real doubt, it is probably best to admit them; if, at the conclusion, he finds them untrustworthy or superfluous, it is as well to say so in his decision. All documents should be marked Exhibit A, B, C, etc., and dated and initialed; they will ultimately be attached to the Record.

(5) Societies Records: Sometimes an entry in one of the main books such as a Cash Book is relevant, if it is a long entry it will be necessary to get a copy produced and certified against the original. If it is a single entry, the Book can be inspected and an extract in the Record made. "Note: at this stage 2nd Party referred to an entry of £10 on 3rd June in the Society's Cash Book as Loan Payment received from Mr. X: this was inspected and verified".

(6) Absent Witnesses: It is the duty of Parties to have their witnesses to hand. Again the Arbitrator has to steer between being imposed upon, and failing the Party as to what he expects the absent witness to testify and it will often be found that the Arbitrator has already granted the particular point, viz. "X applies for adjournment to call witness Y presently ill. Examined, states that witness will testify to his presence at his village on the day in question. Arbitrator states that he is already satisfied on that point and proceedings continue".

(7) While it is the duty of the Arbitrator to record all that is relevant, he should not allow a lot of irrelevant and long winded questions nor himself be guilty of verbosity. He may ask questions to keep witnesses to the point and bring out essential facts. If he finds that essential evidence is missing, he can suggest to the Party, that might lose by the omission, that he might wish to call such evidence. If the Party is reluctant to do so the Arbitrator may make a note of the fact but should not call it.

(8) Arbitration proceedings should be recorded in ink or indelible pencil and a carbon copy is an advantage.

(9) Under Regulation 33 no lawyer can represent party, nor can the public attend as of right. If the proceedings are disorderly the Arbitrator should, after initial warning, adjourn.

(10) Sworn Evidence: The oath, as founded in far back English legal history, has little local significance and a conviction for perjury from such proceedings is scarcely conceivable; local fetish oaths, if known, may in some cases be more efficacious. It is possible (and more practical) that in the case of wilfully false evidence action might, in a suitable case, be taken under section 63; in such an event, the correct action would be to report the facts and make a recommendation to the Registrar. Cases of witnesses refusing to attend, or produce documents should also be reported to the Registrar.

PART 4 - THE AWARD

16. (When he has heard all the evidence, the Arbitrator considers his decision which must be in writing. Where possible this is best written out at the time, and either by copying or by the use of carbon, delivered to the Parties (normally only two) on the spot. If the matter is complicated however - and possibly the hour already advanced - the Arbitrator may decide that it is best to reserve his decision. In that case it will save complaints as to not being notified, if he informs the Parties of the place and time it will be delivered, and when it arrives has copies readily available to them. He should also inform them that the time for right to petition for revision will run from that date and note this on the Record. In particular, the unsuccessful Party should be given a copy of the decision or be notified where he can collect one, in order to facilitate any petition.

17. Before making his decision the Arbitrator should again carefully read over the Reference so that his decision will exactly cover the points at issue, including interest if pleaded.

18. The following general points are appended for guidance in making awards:

(1) committees and officials of a society are liable for the discharge of the duties laid down for their office or employment up to such a standard as might be demanded of them in the prudent conduct of their own affairs.

(2) Arbitrators should be familiar with sections 23, 41 and 42 as to the liabilities of members, past members, and the estates of deceased members; section 24 is of little practical value.

(3) In addition to the assets of a deceased member in the Society, his successor will be liable for his legally contracted debts to the extent of the estate he inherits, but - ancient native custom notwithstanding - not beyond (Quabanah V Chibbuah).

19. In making his award I consider it desirable - I would not go so far as to say that it is obligatory - for the Arbitrator to indicate his reasons for such concluding: this he can do quite briefly. I do not like the printed phrase in Form C of the Award - "having heard the relevant evidence and carefully considered the matter". This of course the Arbitrator should do, but it is up to him specifically to state he has done so. It must be remembered that the Arbitrator has the considerable advantage of seeing the witnesses actually giving evidence and he can, where he thinks it relevant, state the fact that "having heard the evidence and observed the manner of its delivery, I find of fact as follows..... (if necessary findings can be inserted on the back of the award) and I accordingly award and direct that...."

20. Whether the award is delivered immediately after the conclusion of the evidence, or at another date, the Parties should be warned at the former time of their right to petition the Registrar for review and given a time limit of normally a month. In the second case this fact as well as the date for delivery of the award will be endorsed on the Record; in the first case the notification will be endorsed on the Award itself.

21. Parties are not entitled as of right to a copy of the Record as opposed to the Award: Section 90 of Chapter 4 is relevant here. Any such application should be referred to the Registrar.

22. It is usual to set one month from the date of the decision as the operative date for payment of the sum awarded, but where it is thought fit further periods or instalments can be granted, and here a phrase should be added "but in the event of non-payment of any such instalment it is directed that the whole sum do become due."

PART 5 - EXECUTION ON AN AWARD

23. Two copies at least of the Award are in due course forwarded to the Registrar together with the proceedings and exhibits. The Registrar will one month, or soon after from the date of delivery of the Award - whether or no he has received an application for revision - give his decision under section 44 (4). This is necessary because the Courts have been known to refuse to execute on the grounds that the award might be revised.

24. A copy of the Award endorsed with the Registrar's seal then goes to the successful party which - if their opponent is recalcitrant can, after a suitable interval and, where feasible, after written demand, pursue one of two courses -

EITHER (1) Apply to the appropriate Court, which, if the amount is over £150, is the High Court and, if less, the Magistrate's Court, for execution against the property of the debtor by means of writ of fi: fa. application should be supported by the Award, Form C, and for preference also a copy of the form of appointment B; the covering document should be in the following or similar form:

"In the matter of an arbitration in a dispute between and determined under Section 44 of the Co-operative Societies Ordinance No. 15 of 1937 application is hereby made to enforce an award delivered on the day of 19..... under the hand of Arbitrator (enclosure A attached) by writ of fieri facias in the same manner as if it were a judgment or order of the Court.
Dated and Signed.....

A further enclosure must indicate the boundary and situation of the properties to be attached and enclose the fees to be paid (10/- for the writ if the amount is under £50, £1 if up to £100 and £2 if more, plus 1/- service and 6d per mile). Societies must be sure of the debtor's right to the property, for the next danger will be that of interpleader.

OR (2) Apply to the Court for a summons to show cause why the debtor should not be put in prison - supported by Forms B and C. To obtain this there should have been a demand followed by failure to pay. The debtor will appear in person and the onus will be on the society-applicant to satisfy the Court, either that the debt was incurred recklessly, or that the applicant could pay but won't. The cost is 5/- plus 1/- service plus 6d a mile and it will be heard on notice. Frequently the Court orders payment by instalments, and in default of payment of any instalment then immediate imprisonment; this penalty does not mean a discharge of the debt. The Society will have to pay for arrest, and subsistence while in prison.

25. Note: The Court has no option but to facilitate such processes and the Chief Registrar issued a circular to Magistrates pointing this out on 10th December, 1945.

ACCRA
6th November, 1951.

MGH/GEG.

M.G.Hewson.
REGISTRAR OF CO-OPERATIVE SOCIETIES.

APPLICATION FOR SETTLEMENT OF A DISPUTE UNDER
THE CO-OPERATIVE SOCIETIES' ORDINANCE, 1937

Whereas a dispute has arisen between
.....
.....
.....
concerning

I
1 We (name or names and title).....
.....

hereby apply to the Registrar of Co-operative Societies, Gold
Coast for the said dispute to be settled in accordance with
Section 44 of the Co-operative Societies' Ordinance, No.15 of
1937.

I
We request that the dispute be decided by
The Registrar himself
An Arbitrator

and suggest the following names of persons from whom the Registrar
may choose the arbitrator or arbitrators :-

Simple Arbitrator 1

2

3

Arbitrator for the 1st Party 1

2

3

Arbitrator for the 2nd Party 1

2

3

In the case of the simple arbitrator both parties have not agreed
to the persons proposed.

Date Signature (s)
Place.....

strike out Words not required.

Reference to Arbitration.

Under the authority given by Section 44 of the Co-operative Societies' Ordinance No. 15 of 1937, I hereby refer for the decision of

.....

as Arbitrator the dispute which has arisen between

.....

.....

.....

namely whether

.....

.....

.....

.....

.....

and regarding which the attached application has been made in writing to me in accordance with Section 44 of the Ordinance.

Accra.

..... 19

.....
Registrar of Co-operative Societies, Gold Coast.

Here enter the names of parties and discription of the dispute. The application is to be attached to this Form.

Under regulation 32 of the Regulations made under
the Co-operative Societies Ordinance No. 15 of 1937

Whereas the following matter in dispute between

.....
.....

and

namely whether

.....
.....
.....
.....
.....
.....

has been referred to me for determination by the Registrar's
order dated.....(I, having heard the relevant
evidence and carefully considered the matter) hereby direct that
the said

.....
to pay the said

the sum of

.....
together with interest at the rate of per cent
per annum until the realisation of the sum awarded.

The above amount shall be paid not later than
.....and if it is not so paid, the amount may be
realised through a civil court.

Award given in the
presence of

- 1. Sgd.
- 2.

Dated

ARBITRATOR

H E A R I N G N O T I C E

Whereas an arbitration has been listed under
the terms of Section 44 of Ordinance 15 of 1937 between

.....
.....
.....
.....

on the one hand, and

.....
.....
.....
.....

on the other, in which the first party does claim

.....
.....
.....
.....
.....

Notice is hereby given that you together with any witnesses
or documents you may intend to submit are hereby requested
to attend at
on the day of 19 at o'clock
in order that the dispute be determined.

Given under my hand this day of

..... 19

Sgd.....
.....
.....

ARBITRATOR

Service effected on

by

Date

Attachment - A

SALES OF SUGAR, AUGUST - SEPTEMBER, 1949.

(A)

DATE	CASH RECEIPT NO.	AMOUNT			WAYBILL NUMBERS	DESCRIPTION	NO CAR
8/8	107	25.	15.	0.	22	Granulated Sugar	
10/8	114	524.	14.	0.	26, 31, 32, 36, 37	Not known	
11/8	117	3.	0.	0.	26, 31, 32, 36, 37	" "	
11/8	118	132.	5.	0.	43.	Granulated Sugar & Flour	
12/8	129	622.	19.	6.	No Waybills	Not known	
16/8	127	83.	8.	0.	59,62,63	" "	
24/8	144	160.	7.	10.	40,66,71,76, 77,78	" "	
1/9	172	1,055.	5.	0.	83,84,85,87,90,92,93,94,91,95 98,99,100,202.	" " 56 lb. Cartons	
9/9	190	1,746.	0.	0.	406 (250),802 (10) 805 (398),808,(210).814 (150)	Cu be Sugar 56 lb. Cartons	1,
9/9		Not accounted for			816	" " " "	
10/9	196	1,687.	5.	0.	819 ^a (467),823 (500)	" " " "	
14/9	200	448.	0.	0.	824	" " " "	
15/9		Not Accounted for			835	" " " "	
15/9	204	826.	0.	0.	830 (114), 832 (302) 833 (56)	" " " "	
16/9	205	175.	0.	0.	836	" " " "	
20/9	217	5.	0.	0.	842	" " " "	
24/9	224	437.	10.	0.	845(150),851,(100)	" " " "	
29/9	244	2.	10.	0.	853		

X Quantities shown in parentheses

SALES OF SUGAR TO CONSUMER SOCIETIES
DURING 3 WEEKS AUGUST - SEPTEMBER, 1949

<u>SOCIETY</u>	<u>CARTONS TAKEN</u>	<u>TOTAL</u>
Accra	300,45,340,145,5,1,50.	886
Transvolta	50	50
Oda	45	45
Tafo	50	50
New Juaben	50	50
Kibi	100	100
Manyokro	58	58
? Thrift Society	22	22
Saltpond	200	200
		<hr/>
		<u>1461</u>

Attachment "C"

No. 1

20th Sept 1949.

Received from Mr. A. Kumi.

the sum of One Hundred & Eighty Pounds.

 shillings and pence

For Mr. G.N.Alema's Personal a/c

£180

J.M. Pobee.
for.

Received from Mr. G.N. Alema as the purchaser of all my rights and entitlements in an agreement witnessed by an Indenture made on the 18th day of July 1946 between Chief Kwesi Kuma II, Ohene of Abnabna WASSAW-AMANFI representing himself, elders etc., of the stool of Abnabna and myself J. Wilson-Sey & Company, cash the sum of £100 (One Hundred Pounds) being part payment of the sum of £250 (Two hundred and Fifty Pounds) representing total value of my rights and entitlements in so far as the said agreement is concerned, and I furthermore promise faithfully on my honour to get Stamped the said document referred to above and to prepare and stamp a further Indenture transferring my rights as aforementioned in para (2) (1) of the said Indenture to the said GOTTFRIED NARKU ALEMA, not later than 30 days from date hereof.

(Sgd.) J. Wilson Sey

(Sgd.)
 WITNESS

Dated at ACCRA this 5th day of AUGUST, 1949.

Attachment "E"

G.C.CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD.

No. 94

WAYBILL.

30/8/49.

Station of Origin. "Accra."

Delivered to "Cash Sales".

In good order and condition per "Miss M.Vanderpuyie."

Lorry No.....

Driver.....

Order Ref:-

Qty.	Particulars	Item No.	Case No.	Remarks
40	Cartons T&L Sugar 56 lbs each	@ 35/- per ctns;	£70/-/-	

Despatched As Above

.....
Wholesale Keeper

.....
Driver

Received As Above
Adelade Alema

BILL OF LADING.

PARTICULARS DECLARED BY SHIPPER.

MARK	Nos	PACKAGES AND CONTENTS.	Gross Weight in kilos	Weight of Measurement	Rate
BBY JUM VIA CRA	1/2	2 cases Imitation Jewellery	273	27 10	

Sgd. Dr. George Busby.

F R E I G H T P A I D .

Port of ACCRA
 Importer's name MESSRS. DR. B U S B Y
 No. of Bill of lading 152

ENTRY EX-SHIP FOR GOODS LIABLE TO AD VALOREM DUTY.
 BRITISH WEST AFRICA
 If post prime entry No. dated 19....

Entry No. A... 1632 "6"
 Amount received £144. 14. 8
 Cashier.....
 Date... 22/3.....

Name of aircraft or ship	Retation No.	Date of Report	Country of Registry	Port or place whence arrived
"LAGOS PALM"	51/76	20/3/51	U.K.	LONDON.

Invoice No. mar 4042
 Examined by
 Date, , 22/3,

Packages Marks and No. and Numbers Descripton	Item No. in the Import List	Description and quantity of the goods in accordance with the Import List. Description	Quantity	Country of Origin	Value C.I.F.			Tarif	Duty			
					£	S	D	Item No	Rate	£	S	D
Imitation Jewellery containing:-												
BUSBY SAHUM VIA ACCRA	2 cases 263	162 Dozen Necklets)		U.K.	367	15	5	30	20%	73	11	1
		44 " Earclips)										
		54 " & 96 Rows Necklets)		ITALY	136	1	3	"	"	27	4	3
		82 " Earclips)										
		60 " Necklets)		GERMANY	219	16	8	"	"	43	19	4
		48 " Pendants)										
		86 Bracelets)			723	13	4			144	14	8
				O.G.L. 1/51								

Total number of packages, in words two Total Value 723 13 4 Total Duty £ 144 14 8

Total amount of value on which duty is payable (in words) seven hundred & twenty three pounds...thirteen shillings four pence.
 22. 3. 51.

We declare the above particulars to be true.
 Dated this 10th day of March, 1951.... for Comptroller (C13 - Customs)

I N V O I C E

Messrs. GOLD COAST CO-OP. W/SALE EST., LIMITED.
P. O. BOX 1525
ACCRA.

Dr. to:-

G. Stanley Lewis. P. O. Box 1325 Accra

ozen	No. 1090	Necklets	@ 54/-	£16.	4s.	-
"	121	"		4.	10s.	-
"	58 Gilt	"		6.	1.	-
"	58 Silver	"		6.	-	-
"	57 Gilt	"		6.	-	-
"	57 Silver	"		6.	-	-
nly rows	450	"		4.	16.	-
ozen	5414	Armllets	@ 54/-	5.	8.	-
"	1901 Gilt	Bracelets		3.	1.	-
"	1901 Silver	"		3.	-	-
"	21878	"		3.	-	-
				<hr/>		
Less 15% discount				63.	18.	-
				9.	12.	-
				<hr/>		
				54.	6.	-
				<hr/> <hr/>		

ACCRA 19/4/51

IMITATION JEWELLERY

Reference	Stock Balance	Duty Paid cost per doz.	Value at Coast
<u>NECKLETS</u>			
1090	45 doz.	37/-	£ 83. 5. --
121	55-7/12 doz	61/6	170.19. 5.
58 Guilt & Sil.	71-11/12 "	82/-	294.17. 2.
57 " " "	79 doz.	82/-	323.18.--.
<u>PENDANTS</u>			
2009	8 "	44/-	17.12. --
404	24 "	44/6	52.16. --
<u>ARMLETS</u>			
5414	6 "	37/-	11. 2. --
<u>BRACELETS</u>			
1901 Guilt & Sil.	43-8/12 doz	41/-	89.10. 4.
21878	25-10/12 "	41/-	52.19. 2.
<u>EAR CLIPS</u>			
994	78 doz.	24/-	93.15. --
119 Guilt & Sil.	41 "	30/-	61.10. --.

Plus importer's commission 10%

1,252. 4. 1
125. 4. 5
1,377. 8. 6

Attachment 'E'

514

55

SUPPLY OF JEWELLERY TO C.W.E.

Attachment "F"

L	UNIT	DESCRIPTION	UNIT PRICE	EXTENSION		
				£	S	d.
	D2	1090 Necklets	20/-	45	0	0
7/12	"	121 "	22/-	61	2	10
11/12		58 Gilt/Silver Necklets	42/-	151	0	6
	"	57 - . - "	42/-	165	18	0
	"	2009 Pendants	22/-	8	16	0
	"	404 "	22/-	26	8	0
	"	5414 Armllets	16/-	4	16	0
8/12	"	1901 Gilt/Silver Braclets	22/-	48	0	8
10/12	"	21878 - . -	19/-	24	10	10
	"	994 Ear Clips	15/-	58	10	0
	"	119 Gilt/Silver Ear Clips	18/-	36	18	0
				631	0	10
Proportion of Insurance, Freight Package (<u>631 . 042</u>) (703 . 650 of £20. 0. 4)				17	13	4
Amount dutiable				648	14	2
20% Duty				129	14	10
Sum on which commission should have been paid.				778	9	0
10% Commission.				77	16	11
Amount which should have been charged.				£856	5	11
Overcharge.						
Actual Charge to C.W.E.				£1252	4	1
				1125	4	5
				£1377	8	6
				856	5	11
				£ 521	2	7

GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD.,
A C C R A.

bought of
G. Stanley Lewis Accra.

43 $\frac{8}{12}$ doz. Bracelets No. 1901.
Gilt and Silver

(Sgd) 28/5/51.

GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD.,
A C C R A.

bought of
G. Stanley Lewis Accra.

44 $\frac{4}{12}$ doz. Necklets. No. 1090.
39 $\frac{2}{11}$ doz. Silver Necklets. No. 57.
38 $\frac{4}{12}$ doz. Gilt Necklets. No. 57.

(Sgd) 12/6/51.

GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD.,
A C C R A.

bought of
G. Stanley Lewis Accra.

74 $\frac{3}{12}$ doz. Pairs Ear Clips. No.994.
40 $\frac{8}{12}$ doz. " " " Gilt Silver No. 119.

(Sgd) 13/6/51.

GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD.,
A C C R A.

bought of
G. Stanley Lewis Accra.

5 $\frac{11}{12}$ doz. Armlets No.5414.
71 $\frac{6}{12}$ doz. Necklets Gilt & Silver No. 58.
25 $\frac{7}{12}$ doz. Bracelets No.21878
31 $\frac{12}{12}$ doz. Pendants Nos. 2009 & 404
55 $\frac{2}{12}$ doz. Necklets No.121

for G.C. Co-operative W/S Est.,
Accra.

(Sgd) 5/7/51.

87

THE GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD.,
ACCRA.

Bought of G. Stanley Lewis.
ACCRA.

5/12 doz.	Bracelets Guilt & Silver	No. 1901.
10/12 doz.	Pairs Ear Clips.	No. 994.
3/12 doz.	" " "	No. 119.
17 only	Silver & Guilt Necklets.	No. 57.
2 only	Armlets Guilt	No. 5414.
3 only	Necklets "	No. 121.
2 only	Armlets "	No. 21878.
5 only	Necklets Guilt & Silver	No. 58.
8 only	Necklets	No. 1090.

(Sgd)

for: G.C.C.W E Ltd.
ACCRA.

6/7/51.

58

PRIVATE AND CONFIDENTIAL.

MINISTER OF LABOUR
ACCRA, GOLD COAST.

P. O. BOX NO. 1523
23rd April, 1953

Sir,

LOCAL PURCHASE OF £1,000 WORTH OF
JEWELRY NEGOTIATED BY MR. SAM.

With further reference to our conversation (Mr. Jones yourself and myself) re the above subject, I can assure you that I am not in the least prepared to put Mr. Sam to any inconvenience or disrepute in connection with the allegation against him.

I am, however, anxious to get my mind cleared of any wrong impression I may have had about him: and so I should be extremely obliged if you would confirm your verbal statement which you made during our conversation, to the effect that the value of the jewelry mentioned above was, to the best of your knowledge, only £57 (fifty seven pounds), and not £1,000 as I was wrongly informed and that these were stolen from the Takoradi Store.

Yours sincerely,

A. E. INKUMSAH.

Minister of Labour

Mr. M. G. Hewson,
Registrar of Co-operative Societies,
Department of Co-operation,
Accra.

Note.

Above refers to a memorandum prepared privately by the Minister suggesting all sorts of most serious irregularities in all co-operatives. The Banking should be handed over to the National Bank and the Marketing Associations taken over by the Directors of the C. P. C.

I traced the allegations against Mr. Sam via Takoradi to an order from a firm named Crosby Lewis.

At an interview attended by the P. S. I presented to the Minister that if the allegations were founded on fact - and I did not myself believe it - I considered he should report the matter to the P. S. C. The Minister said that Mr. Sam had not been supporting his policy and I endeavoured to point out that, if so, some action was possible under the head but was no grounds for such an accusation.

M. H.

PERSONAL AND CONFIDENTIAL.

Department of Co-operation

Head Office

P. O. Box 906.

Accra

24th April, 1953.

Dear Minister,

Reference your letter of yesterday and our previous conversation, I have, since, I received a copy of the Cabinet Memorandum, been trying to check up on the matter of the purchase of the trinkets mentioned at the same time I have been careful not to give anyone a hint of the reason the enquireies. From Takoradi I have learned that the only record of trinkets received from Accra is a consignment valued at £11. 4s. this together with a sum of £8 cash was in fact burglaried on 2nd April, 1952 and this seemed to indicate that it is the one in question. There seem no doubt as to the genuineness of this burglary, and a man was arrested on the same night running away from the scene, though I am not aware if this led to a conviction.

I next asked my officer at the Airport office of the Establishment to follow up the consignment and he traced it to a sample order from a firm called Stanley Lewis of Kimberley Avenue of the value of £56. 4s. I have since gone up to the Airport Office myself, and I find that the record of issues to the Takoradi Society seems to tally with the information given above. I have also inspected the Orders Register which I prescribed in 1950 both for Imports and Local Purchases in order to bring what I conceived to be a desirable aurora of publicity to this aspect of the proceedings. From this I find that after the sample order already mentioned, there was a repeat order of fairly large magnitude namely £1,377 This is recorded as having occurred because of satisfactory results on the sample consignment; it does not appear to me that the large consignment has in the event moved well.

The matter at stake is the connection of Mr. Sam with these orders the suggestion is clearly that he took a bribe to influence their purchase. On a personal level I can say that I cannot conceive of such behaviour in connection with Mr. Sam, but at any rate as a prominent public servant I feel that he should be given the right to defend himself against charges under the procedure laid down in the Public Service Regulations that is to say, if the charges are to rest against his name.

R. C. S. .

THE HONOURABLE MINISTER FOR LABOUR.

PERSONAL AND CONFIDENTIAL.

MINISTER OF LABOUR
ACCRA, GOLD COAST

P. O. BOX NO. 1523
28th April, 1953.

Dear Mr. Hewson,

The receipt of your letter of the 24th instant under confidential cover, is acknowledged, and your comments are noted with thanks.

I would, however, like to know how the consignment of the sample order from Stanley Lewis, amounting to £56. 4s. was paid for.

Yours sincerely,

A. E. INKUMSAH.

M. G. Hewson, Esquire,
Registrar of Co-operative Societies,
Department of Co-operation,
Accra.

PERSONAL AND CONFIDENTIAL

29th April, 1953.

Reference your letter of yesterday asking for details of the payment issued to Stanley Lewis by the Establishment in respect of the sample order for £56.4s this was done by cheque of 20th April, 1951. The order was recorded in the Register I had prescribed, and was initialed by Mr. Alema as a sample order. The signatories on the cheque were those of the Acting Managing-Secretary Mr. Obuobi and of the Honorary Treasurer the counter signature, which in accordance with my draft byelaws had to appear on the Government side was my own. As I informed you Mr. Sam was then working on the consumer schedule and it is possible that these people might have come to see him in the course of his duties and been referred by him to the Establishment

REGISTRAR

THE HONOURABLE THE MINISTER OF LABOUR.

P. O. BOX 1523.
1st May, 1953.

Dear Mr. Hewson,

I should be glad if you will inform me whether it is the usual practice with Co-operative Wholesale Establishment to pay any special commission to Importers from whom Local Purchases are made.

Will you please let me have this information today.

A. E. INKUMSAH.
MINISTER OF LABOUR.

M. G. Hewson, Esq.,
Registrar of Co-operative Societies.

Attachment "A"

GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LIMITED,
POST OFFICE BOX 1525, ACCRA.

BOUGHT OF: G.H.DOVE,
ACCRA.

DATE: 8/8/51

	Per doz.	£.	s.	d.
200 Doz. Cotton Singlets Q.40-short sleeves	@ 45/-	450.	0.	0.
120 Doz. Athletic Vests No.40/1 (cotton)	@ 45/-	270.	0.	0.
100 Doz. Cotton Socks P.G.	@ 33/-	165.	0.	0.
5 Doz. Woolen Hose T.O.T.	@ 72/-	18.	0.	0.
68 Doz. Khaki Hose No. 6433	@ 35/-	119.	0.	0.
25 Doz. Cotton Sweaters - Long Sleeves	@ 132/-	165.	0.	0.
50 Doz. Cotton Singlets - 3 buttons	@ 38/-	95.	0.	0.
		1282.	0.	0.

(One thousand two hundred and eighty two pounds only)

CERTIFIED CORRECT.

Agyepong.

FOR: GOLD COAST CO-OPERATIVE WHOLESALE
ESTABLISHMENT LIMITED REGISTERED NO.520

8 - 8 - 51.

Co-operative Wholesale Establishment,
Accra.

50 Doz. Button Vests	37	30/=	85	-	-
200 " Roundneck	10	42/-	420	-	-
120 " Atheletic Vests		42/-	252	-	-
25 " Mens Sweaters		110/-	137	-	10 -
100 Doz Cotton Socks		27/-	135	-	-
68 " Khaki Hose		33/-	94	-	4 -
5 " Woollen Hose		66/-	16	-	10 -
			<hr/>		
			£1140	-	4 -

£1140 - 4 -

Paid 9/8/51.

G. DOVE.

ACCRA

11. 8. 51.

G. H. DOVE.

C/O

ACCRA.

6550 yards	Blazer cloth	10/5	3,275.	0.	0.
7500 "	Rayon	2/6	937.	10.	0.
20 dozen	V.55 Buttons	34/-	34.	0.	0.
100 "	Mens leather belts	45/-	225.	0.	0.
20 "	Felt hats	130/-	130.	0.	0.
30 "	Ladies V55	48/-	72.	0.	0.
125 "	Pink Joe	40/-	250.	0.	0.
918½ yards	Khaki	4/6	206.	13.	3.

£ 5,130. 3. 3.

£5130-3-3
Cancelled.

SIGNED G. DOVE.

WALCKA TRADING COMPANY LIMITED.
(Formerly Leo Amartey Kwaku & Co.)

P. O. Box 1081,
Accra,
Gold Coast.

14th August, 1951.

Dear Mr. Obuobi,

I enclose a Pro-forma Invoice covering the goods which I have ready for delivery today. The total amount is £5,847. 10s. 9d. and I should be grateful if you could arrange for the cheque to be sent in to me to-day to enable me to take delivery of what is in the Bank's store.

Thanking you,

Yours faithfully,

G. DOVE.

Airport Ext. 51.

No. 1525.

O. 64/2854.

18th August, 51.

Messrs. Walcka Trading Company, Limited,
P. O. Box 1081,
Accra.

Dear Sirs,

LOCAL PURCHASE.

We thank you for your letter of the 14th August, 1951 enclosing proforma invoice No. 19 for £5,847.10. 9d. We are also in receipt of your pro-forma invoice No. 20 for £2,789 both dated 14th August.

As you state that part of the goods are "in the Bank's store" may we request you please to let us see the original invoice before proceeding further with this transaction.

You may also let us have individual samples of the items you are offering, and say whether you have sold any of these goods to anybody else.

Yours faithfully,
for: GOLD COAST CO-OP. W/SALE ESTABLISHMENT LIMITED.

J. W. M. t. y.
Managing Secretary.

JDEP/SKA

Copy to:

D. R. C. S. airport.

Walcka Trading Company Limited

(Formerly Leo Amartey Kwaku & Co.)

O. 64/2854
LP/784/1

P. O. Box 1081
ACCRA,
Gold Coast.

20th August, 1951

The Managing Secretary,
G. C. Co-operative Wholesale Establishment Limited,
~~P. O. Box~~ 1525
Accra.

Dear Sir,

Many thanks for your letter of the 18th instant with reference to our Pro-Forma Invoices Nos. 19 and 20.

The remark "those in the Bank's store" in our letter of the 14th instant, was made in respect of other goods we had used as collateral security with the Bank against an overdraft and bears no relation to the items invoiced to you. Incidentally, they were Khaki and Cotton Blankets, and as the overdraft was taken in anticipation of quick settlement, we have had to make other arrangements to redeem in view of the unforeseen delay in your purchasing our goods.

Perhaps it would be as well, at this stage, to mention again that the goods we have offered to you were purchased during a "Reduction Sale" from Messrs. Glamour, and have been offered to the Accra Consumers Society as apart from yourselves.

Yours faithfully,

FOR WALCKA TRADING COMPANY LIMITED.

J. DOVE

Managing Director.

WALCKA TRADING COMPANY LIMITED.

(FORMERLY Leo Amartey Kwaku & Co.)

P. O. Box 1081
ACCRA,
Gold Coast

LP/784/1

4th September, 1951

The Managing Secretary,
G. C. Co-operative Wholesale Establishment Limited,
P. O. Box No. 1525,
Accra.

Dear Sir,

May we refer you to our interview with you on the 13th August, our Pro forma Invoice of the 14th your letter to us dated the 20th and ours of the same date

On the 27th instant our representative handed over to you samples as requested with a view to your finishing the purchase as detailed on our Pro forma of the 14th August.

You will appreciate that these goods have been held up for nearly four weeks at your request.

You realise, we hope, that we have been put to considerable expense in this matter, and we trust you will take up these goods on or before the 12th instant as having agreed to sell these goods to you we would be committing a breach of contract if we disposed of them without your first repudiating the contract.

Yours faithfully,

FOR WALCKA TRADING CO. LIMITED.

SIGNED G. DOVE.

MANAGING DIRECTOR.

J.W.
6/9/51.

68.
Airport
Ext. 51.

No. 1525,

O.64/3015:

6th September, 1951.

The Managing Director,
Walcka Trading Company, Ltd.,
P.O.Box 1081,
Accra.

Dear Sir,

Your letter No. LP/784/1 of the 4th September is not understood.

On the 13th August your Mr. Dove was present at a meeting of the Orders, Stocks, Prices and Distribution Sub-committee of the C.W.E., a sub-committee which had no power in itself to sanction the issue of funds, and could only make recommendations.

At that meeting samples of a few items of textiles and haberdashery were examined and a recommendation was made to buy. Mr. Dove was called upon to submit the usual pro-forma of goods, quantities and prices, which might be confirmed by us to constitute a contractual obligation.

No confirmation of the order has since been possible and the Chairman of the Orders & Prices Sub-committee, Mr. R.D.Nelson, has been kept informed of the position throughout.

Meanwhile, in a telephone conversation with Mr. Parker, Mr. G.H. Dove has stated that the goods concerned have wholly or partly been disposed of to other traders and customers, a fact which has been confirmed orally by Mr. R.D.Nelson in the presence of Mr. Parker.

Perhaps it is necessary at this juncture to state categorically that we shall never find our way to confirm the order on the basis of the pro-formas submitted. We have been at pains to set the prices quoted against those ruling on the local market and have felt convinced that business with the Walcka Trading Company on the basis of these pro-formas is impracticable.

Very truly yours,
for: The Gold Coast Co-op. Wholesale Establishment Ltd.,
J.W.

MANAGING SECRETARY.

JDEP/SKA:

Copies to: D.R.C.S., Airport,
D.R.C.S. (Consumers) Accra.
The Chairman, Orders, Prices, Stocks & Distribution
Sub-committee, Box 618, Accra.

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Attachment E'

PRO - FORMA INVOICE.

Accra C. W. Establishment, Limited,
Accra.

Dr. to G. H. Dove,
ACCRA.

450 yards	Green Blazer Cloth	@ 11/9	per yd.	£.	1,439.	7.	6.
950 "	Blue Blazer Cloth	@ 11/9	" "		1,733.	2.	6.
150 "	Brown " "	@ 11/9	" "		675.	12.	6.
500 "	Rayon	@ 2/8	" "		1,000.	0.	0.
20 doz.	Gents felt hats	@ 150/-	per doz.		150.	0.	0.
30 "	Ladies Chemises	@ 54/-	" "		81.	0.	0.
100 "	Leather Belts	@ 51/-	" "		255.	0.	0.
20 "	ButtonsVests	@ 38/-	" "		38.	0.	0.
125 "	Pink A. Vests	@ 43/-	" "		268.	15.	0.
918½ yds	Khaki Drill	@ 4/6	per yard		206.	13.	3
					£	5,847.	10. 9.

thousand eight hundred and forty seven pounds ten shillings
and ninepence.

GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD.,
(Registered No. 520.)

Bankers:
Gold Coast Co-operative
Bank Limited.

P. O. Box 1525
ACCRA.
G ld Coast

21st March, 1951.

Messrs. M. A. Ackoh & Co. (West Africa) Ltd.,
P. O. Box 1236,
ACCRA.

Dear Sirs,

We have seen a sample of the "Ghana Soap"
and we would like to secure some supplies for
distribution to our retail stores. We should be
grateful if you would let us know what quantity you
can offer, and on what terms.

Yours faithfully,

p.p. GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT
LIMITED.

JO/SKA

J. OBUOBI
MANAGING SECRETARY.

M.A.ACKAH & CO (WEST AFRICA) LIMITED.

Importers, Exporters, Wholesalers, Manufacturers'
Representatives.

Cables : Mussaka
Telephone 2 2382
Bankers B.B.W.A.Ltd.
Ref 01/Pa/51

C 327/2 Tackie-Tawiah Av.
P.O.Box 1236
ACCRA, GOLD COAST.

Ref: 01

18th July, 1951.

Sirs,

We have to inform you that we have in readiness for delivery the following quantities of Cabbs Palm Pale Soap.

The prices Quoted are EX Wholesale.

Quantity	Description of Goods	Selling Price	Amount
17H7/1c 27 cases	Cabbs Palm Pale Soap in bars of 15" long	43/9 C/S	£59.1.3d.
17H7/1/1C 828 pieces	Cabbs Palm Pale Soap in short pieces of 3"	3d. each	10.7.-
TOTAL			£ 69.8.3d.

We hope this will meet with your entire satisfaction.

Yours faithfully,

pp. M.A.ACKAH & CO. (WA) LTD.

ALFRED ESHUN FOR MANAGING DIRECTOR.

Messrs. Gold Coast Wholesale Establishment
Post Office Box 1525,
ACCRA.

72

L. P. 37.

Attachment "C"

M. A. ACKAH & CO. (W. A.) LTD.

C.327/2 Tackie-Tawiah Avenue, P. O. Box 1236

ACCRA, GOLD COAST.

I N V O I C E .

Goods.. Consigned to Messrs. Gold Coast Wholesale Establishment Ltd.

Accra.. To be shipped per DELIVERED PER LORRY NO. 8062 Order No. 02.

Country of Origin	Marks and Number on Packages.	Quantity and Description of goods.	Selling Price to Purchaser.			
			Amount			
			ea.	£.	s.	d.
Local	Cabbs Palm	233 Cases Pale Bar Soap	43/9	509.	13.	9.
		Less Deposit of three Hundred Pounds		300.	0.	0.
Balance due.....£.				209.	13.	9.

C. W. E.

DEPT

p. p. M. A. ACKAH & CO., (WA) LTD.

CASHIER

PAID.

Cheque 30/9.

Department of Co-operation,
Audit Division,
P.O. Box 906.

H. 520/138.

ENTIRELY CONFIDENTIAL.

20th March, 1952.

Dear Sir,

CASH BOOK BALANCE AT 12 MARCH, 1952.

As a result of enquiries which I have personally made, I am satisfied that the debit balance of £1190.18.2 shown in the Cash Book at 12 March, 1952 - the whole of which sum was allegedly stolen from the offices of the Co-operative Wholesale Establishment sometime between the close of business on that day and the following morning - does not truly represent the actual balance in hand at the time of the alleged robbery.

2. An examination of the individual entries in the Cash book reveals that this so-called "balance" was made up as follows:

	£.	s.	d.	£.	s.	d.
(1) Cheques:	105.	8.	0.			
	24.	0.	0.			
	13.	17.	8.			
	500.	0.	0.			
	280.	0.	0.	923.	5.	8.
(11) Cash				267.	12.	6.

TOTAL OF CHEQUES AND CASH £1190. 18. 2.

But it is quite clear from the evidence of the pay-in slips of the Co-operative Bank that all the cheques listed above were paid into the Bank to the credit of the C.W.E. Ltd before the end of the previous month and could not possibly have been in the safe at the material time.

3. It seems equally clear that the entries in the Cash Book have been so manipulated that it was possible to use unaccounted cheques to cover deficiencies at the end of each month when the Cash Book was balanced and the balance physically checked. No doubt this has been a continuing practice for many months, but the process is necessarily cumulative and its discovery only a matter of time. The month of March being normally the last of the accounting year, when all accounts would be finally balanced and all cash balances paid to Bank at the 31st, discovery of the deficiency would have been almost inevitable at that date.

4. The conclusions to be drawn from these facts are fairly obvious and I advise that the matter be put into the hands of the police without delay.

I am, Sir,
Yours faithfully,
(Sgd). D. Naysmith
ASSISTANT REGISTRAR AUDIT

THE MANAGING SECRETARY
CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD.,
P.O. BOX 1525,
ACCRA.

Copies to Registrar of Co-operative Societies
and Deputy Registrar of Co-operative
Societies.

<u>Cheque No.</u>	<u>Bank</u>	<u>Drawn by</u>	<u>Amount</u>			<u>Date drawn</u>	<u>Paid to Bank</u>		<u>Ent'd in C.Bk</u>	
			<u>£.</u>	<u>s.</u>	<u>d.</u>		<u>Date</u>	<u>PIS No.</u>	<u>Date</u>	<u>Rec.No.</u>
B/120 239038	BBWA	UAC.Ltd	105.	8.	0.	Jan.12	Jan.31	2528	Mar. 4	2116
G/C 164897	BBWA	Col Govern- ment Accra D. Try	24.	0.	0.	Jan.17	Feb.14	2529	Mar. 4	2113
B/120 241761	BBWA	UAC.Ltd.	13.	17.	8.	Feb.8	Feb.29	2532	Mar. 7	2121
18968	BBWA	Af.Manganese Co.Ltd.	500.	0.	0.	Feb.19	Feb.29	2532	Mar. 4	2114
2302	CO-OP	Bogosu Co- op	280.	0.	0.	Feb.20	Feb.29	2532	Mar. 4	2115
			<u>£ 923. 5. 8.</u>							

ENQUIRY INTO ALLEGED THEFT OF £1,190.18.2d
FROM THE SAFE OF THE CWE AS WAS REPORTED
ON THE MORNING OF 13TH MARCH, 1952.

CONDUCTED BY MR. G.N. ALEMA. DEPUTY REGISTRAR (CONS.)

Notices to appear for enquiry

STATEMENTS

Statement made by Managing Secretary, CWE to D.R.(C) & A.R.(C)

Statement made by Managing Secretary, CWE to D.R.(C) & A.R.(C) on 25th Mar '52						
"	"	"	Secretary, Co-op Bank	"	"	25th "
"	"	"	Secretary, CWE	"	"	25th "
"	"	"	Cashier, CWE	"	"	26th "
"	"	"	Accountant, CWE	"	"	2nd Apr.
"	"	"	Despatch Clerk, CWE	"	"	2nd "
"	"	"	Distribution Clerk, CWE	"	"	2nd "
"	"	"	Secretary of CWE	"	"	2nd "
"	"	"	Boateng, Clerk in CWE	"	"	2nd "
"	"	"	Danquah, Secretarial Asst. CWE	"	"	2nd "
"	"	"	Messenger, CWE	"	"	2nd "
"	"	"	Beach Clerk, CWE	"	"	2nd "
"	"	"	Naumann, Driver, CWE	"	"	3rd "
"	"	"	Managing Secretary, CWE	"	"	3rd "
"	"	"	Managing Secretary, CWE	"	"	7th "

DOCUMENTS TENDERED IN EVIDENCE.

- LETTER P22/1043 of 4.8.50 President to Accountant, CWE
- " 060/1781 of 16.12.50 Managing Secretary to Cashier, CWE Copies to
-Accountant etc.,
- " Unreferenced of 22.12.50 Managing Secretary to Cashier CWE,
Copies to Accountant, etc.,
- STATEMENT of CWE Payments into Bank. Prepared by Secretary, Co-op Bank
- LETTER P33/1683 of 7.12.50 President to Secretary, CWE
- " Unreferenced of 21.5.51 R.L. Danquah to Managing Secretary, CWE,
Minutes by Secretary & Managing Secretary.
- " Unreferenced of 18.12.50 Cashier to Managing Secretary, CWE.,
- STATEMENT of Money Received March 3 to 10th, 1952. Prepared by Cashier
CWE-----
- REPORT on checking of Cash dated 14.3.52. From Accountant to
Managing Secretary-----
- LETTER Unreferenced of 17.3.52 Accountant to Managing Secretary (re-
cash-checking) tendered 26.3.52.
- ANALYSIS of Cash Book Balanced at month ends April 1951 to March 1952.
- prepared by A.R.(C)

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NOTICE

I have been appointed by the Registrar of Co-operative Societies to hold an enquiry into the disappearance of the sum of £1,190.18.2d (one thousand one hundred and ninety pounds eighteen shillings and twopence) from the Safe of the Gold Coast Co-operative Wholesale Establishment Limited. The enquiry will be held at the premises of the Co-operative Wholesale Establishment, Airport, on Thursday, the 25th March, 1952, commencing at 10 a.m. prompt.

By virtue of the powers vested in me under Section 47 (2) of the Co-operative Societies Ordinance No.15 of 1937, I have to request that you appear before me at the place and time shown to give such information and produce such books and documents as I may require.

(SGD.) G.N.Alema
DEPUTY REGISTRAR OF CO-OPERATIVE SOCIETIES
(CONSUMERS)

J. OBUOBI
J.D.E.PARKER
S.K.CHAPMAN
B.K.ADDO
W.OKAI
B.A.AKUFFO
SECRETARY - MR.NTIM, CO-OP.BANK.

STATEMENT MADE BY MR. J. OBUOBI, MANAGING SECRETARY C.W.E.
25TH, MARCH, 1952

My name is Joseph Obuobi and I am Managing Secretary of the C.W.E., I am in general charge of the CWE with rights to delegate my powers to other employees of the CWE. Some of these powers have been delegated to the Secretary, and some to the Accountant of the CWE.

I have delegated to the Accountant such duties as are set out in his letter of appointment signed by the President (Letter P22/1043 of 4th August, 1950 which was produced). Amongst other things, this letter states "you will check cash daily".

The instructions contained in this letter were reinforced by two letters addressed to the Cashier, but with copies to the Accountant, (Letter 060/1781 of 16th Dec. 1950 and "Instructions for the Payment of cash in CWE" dated 22nd Dec., 1950 signed by the Managing Secretary were produced).

On some occasions, about four in all since January, 1952 the Cashier has reported to me that his cash holding exceeds £100 and I instructed him to pay in the balance. On no occasion has the Accountant reported such excess as a result of the daily check set out in his letter of appointment. I think it is implied in the Accountant's instructions and the copy he has of the letter to the Cashier that he should report.

Between October and December when the Accountant was ill I assumed responsibility for cash, and gave daily instructions for the disposal of surplus. When I took over at this time I checked the cash holdings, but the books were checked by the Senior Book-keeper, Mr. Ashley. The physical cash and book figure agreed.

I am aware that during this period, the cashier went to Accra every day to pay in cheques etc. Since December, as far as I can remember, he has been in at least three times weekly, say twelve times a month. Although instructed to do so he does not always report to me. As a rule he goes on the CWE Truck, but when this is not available, he comes to me to ask for permission to use the wagon.

There are four ways in which he may get to the bank - by CWE truck, CWE station wagon, Chapman's car or Municipal Bus Service. When on the lorry the driver is Naumann, the ordinary driver takes him in the station wagon, and when he travels in Chapman's car he may be driven by Chapman, Mensah or Boateng. Since December he has used the Municipal Bus Service on about three occasions from Accra to the Airport, but only twice from the Airport to Accra. When he travels by Bus he leaves with his bag by 12.30 Bus to enable him to reach the Bank before it closes at 2 p.m. I have every reason to assume that when he takes a vehicle he goes straight to the Co-operative or one of the Commercial Banks.

When the Accountant returned from Sick Leave he checked the books and cash but there is no evidence that this was done then or on any other occasion. I did not know it was being done but took it for granted that it was as this was the normal responsibility of the Accountant. I had no worries on this score until early this year.

From about the time of the Annual General Meeting in Sekondi until he went on sick leave, I had noticed a deterioration in the Accountant's work - such things as inadequate checks and controls and failure to submit statements - but when I approached him he said it was due to the state of his health. I also noticed his habit of breaking off long before closing time and reported all this to the President early this year, - in January.

I

was not greatly perturbed by the lack of reports from the accountant state of the cash, as the Cashier was making regular reports on cash holdings. It is true that the Accountant has never reported on the cash position at any time, nor has he reported as the Cash Book is not being kept correctly.

If the Accountant wanted money for an advance at any time he came to me for the voucher to support the payment. He has not taken an advance in excess of one third of his salary, but frequently asks for advances. An advance in excess of / limit was made to the accountant and to other members of the staff, by the Secretary. His action was ultra-vires. It was made without my knowledge and had to be brought to my attention by the Auditors. The Secretary is well aware of the limits set by the Committee and that he has no authority to grant such advances. He has admitted as much, when called to my Office to explain this matter. This admission was made before witnesses - Messrs. Amoakwa-Adu and Kane of the Department of Co-operation who raised the query. Before the same witnesses I expressly forbade him to issue further advances. He has at no time informed me that he has done.

The Accountant has never mentioned to me the fact that part of the cash balance was in I.O.U's. The first notice I had of it was from the Auditors. The Cashier will not pay out as a voucher signed by the accountant, though he may pay on vouchers signed by the Secretary, but certainly on no other signature. The Cashier has no authority to pay on the Secretary's signature and I think they are jointly responsible for the irregular issue of the amounts.

I have read the attached statement and agree that it is true and correct.

- OBUOBI MANAGING SECRETARY CWE.(SGD)...J..Obuobi.....
- N.ALEMA DEPUTY REGISTRAR(CONSUMERS).(SGD.) G.N.Alema.....
- H.SPARKES ASSIST.REGISTRAR(CONSUMERS)..(SGD.) W.H.Sparkes.....

STATEMENT MADE BY MR. K.B.NTIM - SECRETARY OF THE CO-OPERATIVE BANK
25TH MARCH, 1952.

My name is Kweku-Bugyei Ntim and I am Secretary of the Gold Coast Co-operative bank, with which the CWE has an account. I returned from U.K. on September 3rd, 1951 but did not resume duty until November 4th, 1951.

I know Mr. Addo the Cashier of the CWE by name and by person, and from the time I resumed duty until the end of the year often at for a week, sometimes two, without seeing him at the Bank, but he may call without me seeing him.

I tender in evidence a list of payments made to the Bank on behalf of the CWE from December up to date. (Attached No.4).

I cannot say by what means of transport the cashier arrived at the time of making payments, as the screen in my Office cuts off the view of the road.

He does bring in cheques for transactions, but without the books I cannot say whether they were long overdue as I do not take notice of this fact. I have noticed on one occasion a cheque presented two weeks or so after the date of issue.

I will supply information on the time lag of cheques on the Co-operative Bank, but I have no means of obtaining this information regarding cheques on Commercial Banks.

I have read the above statement and agree that it is a true record,

- .B.NTIM SECRETARY CO-OPERATIVE BANK..(SGD.) K.B.Ntim.....
- .N.ALEMA DEPUTY REGISTRAR (CONSUMERS)..(SGD.) G.N. Alema.....
- .H.SPARKES ASST.REGISTRAR (CONSUMERS) (SGD)..... W.H.Sparkes.....

"B/6"

STATEMENT MADE BY MR. J.D.E. PARKER, SECRETARY OF THE CWE ON MARCH,
25th, 1952.

My name is John David Eben Parker and I am Secretary to the
CWE. The terms of reference of my appointment are set out in
letter P33/1683 of 7th December 1950 which letter is produced in
evidence. (Document 5).

I agree that I have no right to sign cheques or issue funds,
but I was asked by the Managing Secretary to negotiate the P.V's
or advances and authorised by him to sign on his behalf certain
documents authorising advances to staff exceeding the limits
authorised by the Committee. I have not his authority in writing
but tender as evidence a letter from Danquah dated 21st May, 1951,
asking for an advance of a month's salary (Document 6)

I am responsible for locking the Strong Room, in conjunction
with the Cashier. I do not do so every day, as the padlock is self
locking, nor do I open it every day. There are two locks and I
hold one key for one of these. Both keys for other are held by the
Cashier. When I took over I received only one key from the
Managing Secretary and did not know there was one missing until told
so at the time of the investigation.

I agree that my receipt of the key implied responsibility for
the opening and closing of the Strong Room I have given my key to
the Cashier to open up in the mornings and Okai closes in the
evenings. The Cashier returned the key to me immediately in the
mornings - in less than two minutes. I was given no instructions
with the keys other than those implied.

When the Cashier said the Strong Room was open on the morning
of the 13th March I 'phoned the police straight away. I did not
close it the night before, Akuffo did so, and informed me that he
had done it on the instructions of the Cashier. I did not examine
it to see if it was closed.

No one has definite instructions to close the place. Okai
has been told to do so, but anyone present will close the padlock
after the Cashier has secured his. The two padlocks are supposed
to hang on the door, when the Cashier secures his own, the other is
clasped by anyone present. If I see it shut, I assume that it has
been locked.

I think that two locks have been provided to give additional
security. One could be opened by anyone holding the key, but he
could not open two.

I have on some occasions checked the locks after the Cashier
has gone.

I have read the statement overleaf and agree that it is a
true record.

J.D.E. PARKER, SECRETARY CWE..... (Sgd.) Jno. D. Eben Parker.....

G.N. ALEMA DEPUTY REGISTRAR (C).... (Sgd.) G.N. Alema.....

W.H. SPARKES ASST. REGISTRAR (C) (Sgd.) W.H. Sparkes.....

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STATEMENT MADE BY B.K.ADDO- CASHIER OF CWE 26TH MARCH, 1952
TO QUESTIONS BY G.N.ALEMA - DEPUTY REGISTRAR (CONSUMERS)

What is your name? My name is Benjamin Kwashie Addo

What is your employment? I am employed as Cashier by the CWE.

Who introduced you to the CWE? The late S.K.Bannerman introduced and recommended me.

What are your duties as Cashier? The receiving of money and the paying of money.

How do you know your duties? No answer.

Have you received these instructions? (Man.Sec's letter of 16/12/50 shown) I cannot say without consulting the File.

Is this your knowledge? (Letter from Addo dated 18/12/50 shown) Yes.

Do you agree that your duties are clearly indicated in letter 060/1781? Yes.

Do you now acknowledge receipt of this letter? Yes.

Have you carried out these instructions? Yes.

All of them? Yes.

Has there been any complaint? No.

Has there been a warning that the duties were not carried out? No.

Have you paid out money advances on the authority of Mr.Obuobi and Mr.Parker? Yes.

Those authorised by Mr. Parker were they supported in writing by Mr.Obuobi? No, only Mr. Parker signed.

Paragraph I of letter 060/1781 was read by D.R.(C)

Does Mr. Parker present the necessary authority? No.

But you have paid out? Yes.

You have infringed instructions? Yes.

According to the letter you know you are liable? Yes.

Do you agree that you are not supposed to hold money in excess of £100? Yes.

Have you ever kept more than £100? At times.

What was your instructions from the Managing Secretary? He said remit to the Bank.

Did you call his attention to it at any time? Yes.

After it had been checked by the Accountant? Without checking by the Accountant Mr. OBUOBI said reserve £200 or £300 as we may need it.

What is the highest amount the Managing Secretary has instructed you to keep? £300 At no time has the money in the safe exceeded £300.

Does Mr. Chapman check every day? Formerly I closed the cash book as that was routine being followed when I started.

How and when did you stop closing daily? (By pause) I cannot say without looking at the cash book. I would then know the date.

Why did you stop? I can't remember I think it was when the new cash book was started.

That is when not why? No answer.

Did you stop of your own accord? No. I am thinking of the reason. Mr.Ashley was checking me before and then Mr. Chapman. I am thinking which of these two. I did not stop of my own accord. If I had, the Accountant and the people checking me would pick it up.

Are you suggesting that someone else asked you to stop? No answer.

Question repeated - I stopped closing my cash accounts daily, I could not remember why.

When the daily check stopped, how did you manage? When the Cash Book was ready I informed the accountant that it was ready for checking.

Did the Accountant come to you? No.

How were you conducting it so that the cash book could not be checked daily? The Inspectors and Auditors were using it.

On how many days were you closing the accounts? According to the Cash Book monthly.

Who gave you such instructions? No one. Who.....

When you did it of your own accord? No answer.
 How was the Accountant checking you when you were balancing
 monthly? When he had the possession of
 the cash book he would ask if
 I was ready.
 How often did you enter up the cash book? At times weekly sometimes
 fortnightly.
 Ever monthly? No never.
 How often did the Accountant check you? About four times a month.
 Was the Cash Book closed at these times? No.
 How does the Accountant know you make entries? I tell him I have
 made the entries. I call him.
 Have ever kept money in excess of £100? Yes up to the £300 limit set
 by Mr. Obuobi.
 Ever in excess of £300? Yes sometimes I have kept up to
 £1000 or over.
 On whose instructions? Without instructions.
 Do you believe you are liable if you keep money in excess? No.
 Do you have it in writing that you should not exceed £100? Yes.
 How can you reconcile this with no liability? It is ignorance on my
 part.
 How often have you kept money in excess of £1000? Only once
 Who is liable for your ignorance of instructions? I am myself.
 Who locks the padlocks? I lock one.
 Who locks the other? Okai or Akuffo.
 When? I call their attention when I have
 locked mine.
 Do they lock first? No I do.
 How many keys has Mr. Parker? One.
 How do you know? Formerly Mr. Chapman said his things
 were stolen, and this key was among
 the things missing. Mr. Obuobi who
 had the other key gave it to Mr.
 Parker.
 How many keys are there to the Safe? One.
 Do you know if there is any other? I don't know.
 Do you know or have you heard of a Safe with more than two keys? No.
 When you came in the morning you found the two padlocks opened? Yes.
 Were you the first man to see it? When I got the key from Mr. Parker
 I saw the padlock opened. Both
 padlocks.
 Are you satisfied you locked your own padlock? Yes.
 Did you open it? No.
 How you think the other padlock was opened? By someone having a key
 Or not locked? Yes.
 Suppose one key got lost? Someone may have access.
 Suppose that someone got into the Strong Room, they could open the
 Safe.
 How? With the key.
 How long had you been keeping £1000 or over or how long had it been
 accumulating? It took one week to accumulate.
 Seven days? No six days.
 How much do you think you had on first day? £100.
 (The figure was later amended to £700)
 On the second day? £100.
 On the third day? £190
 On the fourth day? £84
 On the fifth day? One hundred and fifty something.
 On the sixth day? One hundred or more.
 (Later amended to £125.)
 Who paid in £700 on the first day? I cannot remember.
 I suggest you never had that money on that or any other day? I
 cannot say without looking on the
 book.
 Was the amount of £700 reported to the Managing Secretary? No.
 Why? I do not know. I think the figures I gave were incorrect.
 Did you have £700 in the Safe from Thursday 6th? I cannot say.
 How many days did you take to accumulate the loss? No answer
 Did you have £700 in your Safe on a particular day, paid into you
 on that day? No it should not be £700.
 (Addo was given pen and paper to prepare a statement which is.....)

tendered in evidence Document 8)

No one knew money in Safe? Did not inform Mr. Obuobi.
Did not report regularly? Do not know exactly these are figures
Did Mr. CHAPMAN check you on 11th? I think 10th.
How much did he find? Seven hundred and something.

How can you reconcile this with what stolen on 12th? I did not know the real amount of the loss until I went through my Books. I became aware of the exact amount of money I had in the Safe after the theft had taken place. I then deducted these figures as tendered and duly signed by me from the Cash Book. After the Cashier checked the cash he instructed me to pay the excess into the Bank. I did not do so. I do not know what kept me.

Did you receive about £400 between 11th and 12th? Yes.
Statement written by the Accountant shown to Addo. I agree that this check was made.

From whom did you receive about £496? I cannot remember.
(Mr. Chapman called in to verify his statement)

CHAPMAN - I checked book but not cash on 11th and I can swear on my oath.

ADDO - I thought it was 10th.

Chapman dismissed.

Who is responsible for heavy balance? I am.

I do not know what held me, but I am responsible.

How much did you find on 11th? Seven hundred and something.

How can you reconcile this with what stolen on 12th? I did not know the real amount of the loss until I went through my Books. I became aware of the exact amount of money I had in the Safe after the theft had taken place. I then deducted these figures as tendered and duly signed by me from the Cash Book. After the Cashier checked the cash he instructed me to pay the excess into the Bank. I did not do so. I do not know what kept me.

I have read the statement on pages 1 to 5 inclusive, and am satisfied that it is true and correct.

B.K.ADDO CASHIER (SGD) B.K. Addo.....

G.N.ALEMA DEPUTY REGISTRAR(C). (SGD) G.N. Alema.....

W.H.SPARKES ASST. REGISTRAR(C) (SGD) W.H. Sparkes.....

Did you receive about £400 between 11th and 12th? Yes.

Statement written by the Accountant shown to Addo. I agree that this check was made.

From whom did you receive about £496? I cannot remember.

(Mr. Chapman called in to verify his statement)

CHAPMAN - I checked book but not cash on 11th and I can swear on my oath.

ADDO - I thought it was 10th.

Chapman dismissed.

Who is responsible for heavy balance? I am.

I do not know what held me, but I am responsible.

STATEMENT MADE BY MR. S.K.CHAPMAN, ACCOUNTANT OF CWE 2/4/52.

My name is Sam Kwashie Chapman and I am Accountant of the CWE Accra. I have not with me the letter of appointment I received from Mr. Annan, nor the further letter from Mr. Obuobi, but I can get them. I agree that I have received them. I agree also that I received further letters on December 16th and 22nd 1950, ref. 060/1781 and unreferenced December 2nd and 3rd.

I check the Cashier from time to time and am aware that he is not to keep amounts exceeding £100. When I am on duty I check the Cashier and I check him daily. The Auditors also check, but I refer to CWE check. I check also cash and books daily, but on the 11th March I checked the books only. The date I checked cash and books before this was March 3rd. I did not check between the 3rd and the 11th December/ Cashier was in town most of the time, and I was engaged on paying accounts. Before the 3rd I checked daily. It was only between the 3rd and 11th I did not.

On the third I checked the cash and it agreed with the books. I did not check for the eight days between the 3rd and 11th because I know the Cashier balanced daily. I checked the books only as I know he goes to the Bank daily.

I did not report to the Managing Secretary on the 3rd the excess of cash, because I instructed the Cashier to pay into Bank and because I have no suspicion of the Cashier who has always been efficient. When I have been away he has kept amounts in excess of £100 but I have not bothered him.

I agree that the Establishment is only responsible for £100 in the event of anything happening and that the Cashier is responsible for excess of cash. I trusted Addo but agree that the question of trusting him has nothing to do with his liability for excesses over £100. I agree that it was important that he kept only £100.

I did not report the excess of £110 on the 3rd as I have no suspicion of the Cashier, and I told him to pay it into the Bank.

I agree that I should check every day, and that there was excess on the 3rd, I should have checked on the fourth, but I had that in the Cashier. It is true that apart from having confidence in him I should have checked on the 4th.

I did not check on the 5th, because the new cash book is not designed for a daily check. It could be balanced daily. Because I had confidence in him (Addo) I did not check until the 11th. The amount in the cash book was £700, but I did not check the cash.

I think he accumulated the amount by his receipts of cheques, cash payments, etc., money is coming in all the time. I think he got the £700 by accumulation between the 3rd and the 11th. (Mr. Chapman was then shown the Cashier's statement Document 8) I cannot say how I did not see that Addo had £1100 odd on the 11th without the cash book. I cannot say whether I can accept this figure without the cash book. I agree it does not reconcile with any statement but I did not check the cash itself, only the books. (Mr. Chapman was then shown his own statement of 17/3/52 Document 10)

I agree that my instructions are to check the cash and the cash book daily, and I agree that I said I checked it every day. I did not exclude the 3rd to 11th March on my statement and I have already explained why. The routine is to check the daily cash.

Between the 3rd and the 11th March the books were not checked, and on the 11th, the book only.

When the Cashier reported that the place had been broken into I was shocked and went to see what had happened. I do not know how anyone managed to get into the safe without breaking it except by means of a key

When it was reported to me that £1100 was stolen, I took the cash book and checked. This was after some entries have been made to enable the balance to be struck. The entries were made by the Cashier in the presence of the Police. The balance could not have been known otherwise.

Before the 3rd I always checked as I have started checked the book together with the cash. I did not always check this way. Sometimes I checked after two days because the cashier had gone to the Bank. The longest time was a day or two.

I agree that a longer period elapsed between the 3rd and 14th March, but it was because I trusted the man. His entries had always been correct and the cash was always there but I admit I went wrong in not checking daily.

I think the daily check was ordered so that the position should be known. I know it was left for eight days and I went wrong though not checking daily at this time.

I agree that apart from trusting the Cashier it is important to know how much cash is on hand, and I have always done so. I cannot say why I did not. It was a mistake on my part.

I agree that from a matter of interest it is the normal thing to know how much cash there is. (D.R. (C) read last paragraph of document 10 which is a letter from the Accountant to the Managing Secretary. The paragraph is "I cannot tell you exactly what the balances were from day to day, other than the declaration in my statement of March 14th")

The Cashier showed me the cablegram because he wanted to ask permission to go to Accra. He always tells me when he is going to Accra. I agree that he went to Accra so often that checking was difficult.

Sometimes he has gone to Accra without me knowing, but that has been when he has been taken by Mr. Obuobi. At times he tells me he is going, but at times he does not. Sometimes he comes back and sometimes he does not.

I have read the statement on pages 1,2, & 3 and agree that it is a true record.

- S.K.CHAPMAN ACCOUNTANT CWE (SGD.) S.K. Chapman.....
- G.N.ALEMA DEPUTY REGISTRAR (C) (SGD.) G.N.Alema.....
- W.H.SPARKES ASST.REGISTRAR (C) (SGD.) W.H.Sparkes.....

STATEMENT MADE BY MR. B.A. AKUFFO 2ND APRIL, 1952

What is your name? My name is Beniemin Awuku Akuffo.

What is your employment? I am employing as a despatching clerk in the
CWE.

Have ever locked the Strong Room? Yes.

On how many occasions? Twice.

Who asked you to do it first time? The Cashier.

And second time? The Cashier.

Not Mr. Parker? No.

Does the Cashier ask other people? Yes, he has asked Mr. Danquah.

Any others beside Danquah? Yes Mr. Okai.

Anymore? I don't know.

On the second occasion was it the 12th? No that was the third occasion.

So you were asked three times? Yes.

The third and the last occasion was on the 12th? Yes.

You were asked to lock the padlock? Yes.

And you locked one? Yes.

Which one? I don't know.

Who was there when you were asked? No one.

Who was there when you locked it? Mr. Chapman junior saw me

Were there any other people in the building? Although there was the Watchman, the Cashier, Chapman junior and me.

How do you know that there were only these four? The others were already on the truck.

Waiting? Yes.

Chapman junior was there when you locked? Yes he came in for something and saw me locking.

What did he do afterwards? He went to the truck.

What did you do after you had locked? I went to the truck

Who was left in the building? The Cashier and the Watchman.

When you went to the lorry were the Cashier and the Watchman in the same room? No the Watchman was locking up the Offices.

What did you do after you had locked the padlock? I went to the lorry and waited.

How long were you on the lorry before the Cashier came? About three minutes.

He didn't come with you? No, some people were asking if the Cashier was coming today.

Who? Mr. Boateng.

Where was Mr. Parker when asked the Cashier asked you to lock?

He had gone.

He had left one lock and gone home? Yes.

You came in next morning? Yes.

Together with everyone else on the lorry? Yes.

Who opened the office door? When I came to the Office Podoe and Agyeman were in.

Where was the Cashier then? I don't know.

Were the locks open? When we came into the Office and started working, the Cashier came in and said that the padlocks were open.

Did he go to his Office first? I don't know.

How many of you were in the Office when he came in? Three

What happened? He came in and told me the padlocks were unlocked.

Did he address the remark to you alone? No, to us all.

When you came in could you see the padlocks on? I didn't notice anything.

Did the Cashier use the key at all? I don't know, because I do not work in the same Office as the Strong Room.

Were you about to go when the Cashier called? Yes.

Were these two padlocks on when you were called? I only saw one hanging.

Not two? No only one.

You pressed the padlock to lock it? Yes.

Where was the other padlock? When he called me the other padlock was in and I was given one. I did not test the one already on to see if it was closed.

Then I went to the truck.

I have read the above and agree that it is a true statement

B.A. AKUFFO DESPATCHING CLERK (SGD.) B.A. Akuffo.

G.N. ALEMA DEPUTY REGISTRAR (C) (SGD.) G.N. Alema.

W.H. SPARKES ASST. REGISTRAR (C) (SGD.) W.H. Sparkes.

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STATEMENT MADE BY MR. W.C.OKAI 2ND APRIL,1952

What is your name? Wilfred Colley Okai.
What is your appointment? Distribution CWE and Stationery Stockkeeper
Your Office is next to Mr. Parker's? Yes.
The Strong Room is in it? Yes.
Have you ever locked it? Yes.
How many times have you locked it? I can't remember.
Many times? Yes.
Who are the people who asked you to lock it? Mr. Parker,
No one else? I can't remember.
Is this a general order? No it is a verbal.
Did he tell you to do so every day? Yes.
Do you sometimes get specific order from someone else? Yes, The
Cashier has asked me on some occasions.
How many? I don't think more than five.
Why does he ask you? Sometimes he leaves before we close, and he
asks me to lock.
Has he ever closed at the same time? Very rarely, but he has
sometimes.
When he closes at the same time has he asked you to lock? No, when
we closed together I can't remember but I think he has not asked
When you lock, which padlock do you lock? The new one
And the old one? It belongs to the Cashier.
So you tell your padlock by the age or look? Yes.
Does Mr. Parker tell you to lock? Yes.
Do you get the key from him? No it is a self locker.
Who opens Mr. Parker's padlock? The Cashier.
No one else? No.
How do you ensure Mr. Parker's padlock is closed? I pull it.
Does Mr. Parker lock it? Rarely, but I dont know. On the days I am
in I always lock it.
Were you in on the 13th? Yes.
Was the Cashier on the truck? No.
When the truck reached the CWE, had the Cashier arrived? No.
When you arrived did you go to the Office? Yes we go there to put
our signatures in the book.
Was the Cashier there? I did not go straight to the Office.
And when you went to the Office was anyone there? Yes.
Was Addo there? No I met him in the corridor. I was talking with
Quaye in front of the wholesale when Mr. Obuobi, Mr. Parker and the
Cashier arrived. The alarm was raised just after.
Does Addo usually ride on the truck? Yes.

I have read the statement overleaf and agree that it is a true record.

W.C.OKAI DISTRIBUTION CLERK CWE (SGD.) W.C.Okai
G.N.ALEMA DEPUTY REGISTRAR,(C) (SGD.) G.N.Alema
W.H.SPARKES ASST.REGISTRAR,(C) (SGD.) W.H.Sparkes

FURTHER STATEMENT

Why did you not lock the padlock on the 12th? I was coming from the
Wholesale to do, so when I met Akuffo who said he had locked on the
Cashier's instructions. He did not say why.
Where was the Cashier? I dont know.
How long was it before the Cashier come after you had boarded the
truck? A long time but I dont know in minutes. Longer than usual
about five minutes.
Did anyone complain? We usually complain when someone stays late
and keeps us waiting. It was a general topic and we were urging the
driver to move on. At that time we didn't know it was the Cashier
until he finally came.
According to your opinion you thought he had been too long? Yes.
Was he carrying his bag? Yes.

I have read the above statement and agree that it is a true record.

W.C.Okai G.N.Alema W.Hugh Sparkes

STATEMENT MADE BY MR. J. PARKER ON 2ND APRIL, 1952

I cannot remember whether I went home before the truck left on the 12th March. I cannot say whether I went in the car or the truck. Akuffo locked the padlock on the 12th. I was in my Office and Mr. Obuobi was in his. I did not know Akuffo had locked until I learned it next day. He said that the Cashier had given him instructions. I did not check the locks. I think Addo went on the truck, but I don't know if anyone was in the room after Akuffo had gone. Sometimes Addo reminds Okai to shut the lock, but on this day he called Akuffo. I don't know which lock was locked or whether Addo locked his own.

On the morning of the 13th I had the key to my padlock. I kept it on a bunch in my pocket, taking it home and bringing it back with me.

On the 13th, Addo came with Mr. Obuobi to my house to call for me. He has only come with Mr. Obuobi once or twice before. When we got here I gave him the key in the normal way. Just after I had given him the key Mr. Obuobi called for me and I was in his office when Addo informed us.

I do not know what his behaviour was like in the car, as he was sitting in front.

I have read the above statement and agree that it is a true record.

D.E. PARKER SECRETARY (SGD) Jno. Eben. Parker.

G.N. ALEMA DEPUTY REGISTRAR (C) (SGD) G.N. Alema

W.H. SPARKES ASST. REGISTRAR (C) (SGD) W. Hugh Sparkes.

STATEMENT MADE BY MR.S.E.BOATENG 2ND APRIL,1952

Did you travel from the Airport in the lorry on the 12th March? Yes.
 Do you remember Akuffo coming to the lorry? No.
 On that particular day did you grumble that the Cashier kept you
 waiting? Yes, Everyone was on the truck and we were waiting for him,
 as we knew he was locking up we were waiting patiently.
 Do you frequently have to wait for him? Usually he goes first.
 Is this the first day he went in your truck? Yes.
 Is the only day you can remember? Yes.
 Relying on it to your memory alone? Yes apart from Saturdays
 According to you the Cashier was the last on the lorry? Yes.
 Between the time Akuffo came and the time the Cashier came how long
 did you wait? I did not notice Akuffo coming. How I saw the Cashier
 as that I was sitting next to the stairs and saw him get on.
 When did he go in? About 2.25 or 2.30
 How long did he spend in coming to the lorry? About five minutes.
 Where is your office? The Accounts Office.
 On the day what happened, did the Cashier make an announcement? We
 were all at the Bus stop when the Cashier passed with Mr. Obuobi in
 the Station wagon.
 Who arrived first? I cant remember correctly as I did not come into
 the Office early. I came on the truck with the staff and when I
 came in the Cashier told me that some people had opened the Safe.
 I asked him if it had been opened with keys or force and he said no
 force had been used.
 Who was the driver who took you all home the day before? Naumann
 Is he here? No he has gone to Bogosu.

I have read the above statement and agree that it is a true record.

BOATENG

(SGD.) BOATENG

G.N.ALEMA DEPUTY REGISTRAR (C)

(SGD.) G.N.ALEMA

W.H.SPARKES ASST.REGISTRAR (C)

(SGD.) W.HUGH SPARKES.

STATEMENT MADE BY MR. R. L. DANQUAH 2ND APRIL, 1952

What is your name? Robert Lartey Danquah.
 What is your job? Secretarial Assistant to Mr. Obuobi and Mr. Parker
 You work in the room next to the Secretary? Yes.
 The Strong Room is there? Yes.
 Have you ever locked the Strong Room? No never.
 Who have you seen locking it? Mr. Okai.
 Who asked him? I don't know.
 On the day before the trouble you all went home on the truck together?
 Yes.
 Who was last on the truck? Mr. Addo
 Was he some while? Yes.
 Was he carrying his bag? Yes.
 Did he delay you going away? I didn't take notice.
 When you went to the Office next morning did you notice the Strong
 Room unlocked? No.
 I was there with Agyepong and Okai when the Cashier came in and
 he stood by my table looking at the locks and shouted that someone
 has tampered with the locks. I looked behind and saw that the
 locks were opened. I told him that he should not shout because he
 may not have locked the day before.
 Did he touch the locks? No he went to Mr. Obuobi and Mr. Obuobi
 came with him. Mr. Obuobi asked him if he had locked and he said
 "Yes" he had locked one and Akuffo had locked the other. Mr. Obuobi
 then asked then asked Mr. Parker to call the Police.

I have read the above and agree that it is a true record.

R. L. DANQUAH

(SGD.) R. L. Danquah.

G. N. ALEMA

(SGD.) G. N. Alema.

W. H. SPARKES

(SGD.) W. Hugh Sparkes.

STATEMENT MADE BY MR. M.A. YEBOAH, MESSENGER TO CWE - 2ND APRIL, 1952

What is your full name? Maxwell Alfred Yeboah
 Did you come with the truck on the morning of the Burglary? No, I came before.
 What did you do? I opened the doors and started sweeping. I had finished sweeping by quarter to eight. At quarter past eight the truck came.
 Who was the first in that room? The clerks.
 Which? I don't know.
 When you swept the room did you see the padlocks opened? I don't know, I didn't look.

I have read the above and agree that it is a true record.

M.A. YEBOAH	(SGD.) M.A. Yeboah	
G.N. ALEMA	(SGD.) G.N. Alema.	
W.H. SPARKES	(SGD.) W. Hugh Sparkes	B/18

STATEMENT BY MR. E.H. AMEGASHIE 2ND APRIL, 1952

What is your name? Aphraim Hope Amegashie
 Did you come in on the truck on the 13th March? Yes.
 You went straight to the Office? Yes.
 When you got to the Office were there two padlocks on the Strong Room? I don't know, I went to both the Office and the Accounts.
 When the Cashier came in you were in the Office? No, in the Accounts.
 Have you ever locked the Strong Room? No.

I have read the above statement and agree that it is a true record.

E.H. AMEGASHIE	(SGD.) E.H. Amegashie
G.N. ALEMA	(SGD.) G.N. Alema
W.H. SPARKES	(SGD.) W. Hugh Sparkes.

STATEMENT MADE BY MR. A.C.NAUMANN 3RD APRIL 1952.

What is your name? Adolphus Carl Naumann.
What is your occupation? Lorry Driver for the C.W.E.
Which lorry? AR 5781.
Were you the Driver who took the clerks to Accra on the day before the trouble? Yes.
Was Mr. Addo in it? Yes
When did he arrive? He is the one who came last when all the people were on the truck.
Did he come alone? Yes.
Were the people grumbling that he stayed too long? No
Who came before him? Nobody at his front, he came alone.
Long after everyone or short? When the people came in it was about four minutes before he came. I was moving before someone said he hadn't come.
Who said it? I don't know but someone saw him coming.
When he came where did he sit? I don't know
Did he bring his bag? Yes
Do you often take him to Accra? I used to take him before we left
Did he always carry his bag? Yes.

I have read the above statement and agree that it is a true record

A.C.NAUMANN

G.N.ALEMA

(SGD) G.N.Alema

W.H.SPARKES

(SGD) W. Hugh Sparkes.

STATEMENT MADE BY MR. OBUOBI ON APRIL 3RD 1952

On the morning of the 13th March Addo did not report, but rather raised the alarm. He rushed into my Office shouting that the locks had been opened. I then went to the Strong Room with Mr. Parker and Addo and told everybody to leave everything in place and sent for the Police. While we were waiting for the Police I did some questioning.

I asked Addo if he had sufficient money in the Safe overnight and asked how much. He said "A considerable amount". I asked him if he had locked the Safe and the Strong Room and he said "Yes" I asked him who had helped him and he said "Akuffo".

I had Akuffo to my room and questioned him. He said that he had gone to the truck but that he had forgotten his "Daily Graphic" and went back for it. When he was there Addo asked him to lock. I asked him (Akuffo) whether he was sure that the other lock was properly fastened and he said he couldn't see. When asked whether the lock he fastened was Mr. Parker's or Addo's, Akuffo said he didn't know, he was not sure.

After that I asked Addo what was the precise amount in the Safe overnight. He stood for some time and then said "Substantial" When I asked how much over £100 he said he could not be sure. I then asked if it was above £100 why he did not deposit it with the Bank before 3 p.m. on the previous day according to instructions and he said that the whole of the previous day he was confused.

I asked Mr. Parker whether he was sure of the condition of the locks before he went home on the 12th and he said No. During further questioning Mr. Parker said that he had delegated the duty of locking to Okai.

The Police had been sent for, but did not arrive until after these interrogations. When they arrived they inspected the Strong Room door and removed the two padlocks which they took for investigation. They then opened the Strong Room door and we all went in together. We discovered that the door of the Safe was open and that there were no marks of force on it. There was absolutely nothing in the Safe, but a few cheques and accounting documents were scattered on the floor of the Strong Room. The cash book was not in the Strong Room when we went in.

The Police questioned me about the disposal of the keys for the Safe and Strong Room. I told them there were two padlocks for the Strong Room and that Addo had both keys for one and that Mr. Parker had the one key for the other. For the Safe itself there were two keys, one of which was kept at the Bank. The Police then asked me to go to my room while they interrogated Addo.

After sometime they came to me and said that on the face of it neither Safe nor Strong Room locks had been locked overnight. They then asked me a question I had been anticipating - whether the duplicate safe key was in the Bank. I said "Yes" because I had phoned Mr. Ntim who assured me that it was.

The Police asked me what was the maximum amount Addo was allowed to keep in the Safe at one time and I told them £100. They then said that Addo had told them that he could keep up to any amount. I showed them the instructions I had issued and the Corporal asked me to attach a copy to my statement which I did.

To find the right amount of money in the Safe I asked Mr. Chapman if he was aware of how much money was in the Safe overnight and he said he did not know. I asked him to check the books and find out. The exact amount at the close of business on March 12th He said the books would have to be brought up to date that is certain entries would have to be made, so he would ask Addo to make them. He knew that this was necessary because he had seen the

to be brought to account. Then he went to get the books entered and checked. Both he and Addo said they couldn't tell what the amount was before these entries were made. The book was given to Addo to make the entries and only after that could Chapman check. We found that £1190:18:2d was missing. I don't know which entries were made on the 13th for the 12th, because the Police took the Cash Book away. I could not ask Addo any more questions as the Police took him away, for further questioning.

I did not question Mr. Chapman or Mr. Parker further. I did not tell Mr. Parker the amount involved - he was being questioned by the Police when I told them.

I think that Chapman and Parker realise that they are accessory factors. Parker realises that it was his duty to see that the place was locked. As regards Chapman, I tried to get him to be aware that his failure to make adequate checks was culpable offence on his part. He got annoyed and said he didn't check the books between the 3rd and the 12th because he trusted Addo. When asked him if he knew that he should not keep more than £100 overnight and he said "Yes". Then he got up of his own accord and walked out.

I found from questioning other people that Addo was the last to leave. During questioning Akuffo said he left Addo in the Office and when asked how long it was before Addo came out to the truck he said about four minutes, and that Addo was the last man to get on the truck. When asked if when he was in the room he noticed anything peculiar about Addo's behaviour, Akuffo said "No". He said he overheard Boateng on the truck remarking to Addo that he shivering and feverish, and that he should see a Doctor. Akuffo said that Addo told Boateng to stop cracking foolish jokes.

I believe the station waggon left before the truck about five minutes before the time the truck usually leaves.

I have read the above statement and agree that it is a true record.

- J. OBUOBI (SGD) J. Obuobi
- G.N.ALEMA (SGD) G.N.Alema
- W.H.SPARKES (SGD) W. Hugh Sparkes.

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STATEMENT MADE BY MR. OBUOBI MANAGING SECRETARY 7/4/52

On the instructions of the Committee deductions were to be made from Mr. Chapman's salary. The amount he had received was £40 and it was to be deducted at the rate of £10 per month starting in December. The Cashier has not made the deduction for December and in January Chapman made a petition to the Committee. The Cashier told me that he did not make deduction in December, because Chapman asked him not to. I enquired of Chapman and he agreed that this was true. He said that in view of his petition which had been put in, but not discussed by the Committee in December he felt the deduction should not be made and he (Chapman) personally instructed the Cashier not to make it. The Committee did eventually receive the petition but referred the matter back to the staff side of the staff Benefit Fund (The advance was in respect of medical treatment) who agreed to make an ex-gratia payment of £10. The Committee then decided that the balance of £30 should be paid at £10 per month from February.

The February deduction was made but in March Chapman came to see me to say he could not afford the March deduction of £10. I told him I could do nothing without the President's authority, so he wrote to the President to say that he could not make ends meet. The President then authorised the March deduction to be waived.

I was not aware that Chapman had given the Cashier any instructions about paying him money. It came out in an Audit Query that he had drawn in advance a transport allowance of £9. It was authorised by Parker. It should not have been drawn until the end of the month.

I don't know whether I was in Accra at the time but I do know that it was done behind my back. In authorising the payment of advances Parker sometimes does it when I'm here, but he does it without my knowledge. For other payments he only authorises them when I am away.

Mr. Parker can receive money from the Cashier without my knowledge because he has been authorising payments to himself. The only occasion I know of was that raised in an Audit query last month, when he took £10.

Messrs. Chapman and Parker are always in the habit of asking for advances as you can see. I think they ask more frequently than any other members of the staff. In the case of Chapman he certainly does, and Parker follows a close second. They do not set a good example to the staff.

Mr. Parker has not withheld deductions from his salary, as they were only due from the end of March, and that deduction was made.

When I arrived on the morning of the 13th March, there was no complaint of any of the doors being forced. I should explain that up to that date. The procedure was for the day Watchman and the Messenger to lock all the windows and inside doors. The main door was then locked and the key kept in the custody of the Watchman who sleeps on the doorstep. When I came in the morning I asked the Watchman if anyone had called and he said "No".

The keys of the Offices were left in the doors up to that date, but the main entrance was locked with the Watchman holding the key.

I have read the above statement and agree that it is a true record.

J. OBUOBI
G. N. ALEMA
W. H. SPARKES

(SGD.) J. Obuobi

(SGD.) W. Hugh Sparkes.

GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LIMITED
REGISTERED NO. 520

Tele. and Cables:
COEST, ACCRA.

P.O. Box 906,
Accra, Gold Coast.
4th August, 1950.

S. K. CHAPMAN, ESQ.,
A C C R A.

Dear Sir,

The Committee of the C.W.E. have decided to appoint you as Accountant to this Establishment with effect from the 5th Of August, 1950, at a salary of £500 per annum.

Your duties as Accountant comprise:-

- (a) Responsibility for all counting house routine and the accounts of the C.W.E.
- (b) The issue of monthly statements of accounts to the several societies and suppliers.
- (c) The preparation of the monthly balance sheet, which should be submitted to the Managing Secretary by the 15th of every month.

You will also bring to the notice of the Managing Secretary every week the:

- (a) Position of the overdraft.
- (b) Debit balances of various societies
- (c) Checked bank charges including interest.

You will check cash daily.

Yours truly,

(Sgd.) J.S. Annan
PRESIDENT

GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD.

1525,

16th December 0.

The Cashier,
Gold Coast Cooperative Wholesale Est.Ltd.,
Accra.

Dear Sir,

Authority to incur expenditure
and make payments of Cash.

The following instructions concerning authority for making payments of cash are issued for your future guidance and must carefully noted.

1. All authority to incur expenditure and make payments of cash out of funds held by you on behalf of the C.W.E. should be authorised by me and by nobody else. No document which does not bear my authorisation and signature should be regarded as valid, and you will be held liable for payments of cash which are not authorised by me as indicated above. Whenever I am away from Accra authority will be given to Mr.Parker in writing to approve expenditure up to limits to be set by me but immediately upon my return all documents on the strength of which payments have been made by you should be submitted to me for my approval.

2. You should on no account make settlement of debts owing by the C.W.E. to other commercial establishments by cash unless you are so instructed. Exceptions can be made in cases involving payments of under £1 but cheques should always be used in making payments above £10.

3. You should always endeavour to obtain signatures and/or thumbprints of payees on all cash payment vouchers prepared by you in support of payments. The column reserved for signature or thumbprint of payee should on no account be left blank. In lieu of this a receipt signed by the recipient and attached to the C.P.V. will be accepted.

4. In future all cheques for signature by the Registrar of Cooperative Societies or the Treasurer should be sent to Accra per the messenger, and you should so regularise your work that you need go to Accra to make payments into the bank etc. only on three days during the week, i.e. on Mondays, Wednesdays and Fridays, and then only in the afternoon, so that unnecessary transport charges can be avoided. On the days shown you can leave the Airport at 1.30 p.m. so as to be in attendance at the Bank by 2 oclock.

5. As soon as cash held by you exceeds £100 at any one time an immediate report should be made to me.

6. Kindly acknowledge receipt of this letter.

Yours faithfully,

(Sgd.) J.OBUOBI

MANAGING SECRETARY,

GOLD COAST COOPERATIVE WHOLESALE ESTABLISHMENT LTD.

JO/BHK

Copy to:- The Accountant, CWE,
The Secretary,
D.R.C.S. Accra.
A.R.C.S(Accounts) Accra.

THE GOLD COAST COOPERATIVE WHOLESALE ESTABLISHMENT LTD.

Registered No. 520.
-----Instructions for Payment of Cash in CWE

(Amplification of my O.60/1781 of 16th December, 1950)

1. The following instructions are issued for strict compliance by all concerned.
2. No payment of cash shall be made or expenditure incurred without prior consent in writing.
3. All payments of £10 and over shall be by cheque, with the exception of wages and salaries which shall be paid in cash.
4. Payment of casual and daily paid staff shall be made on a sheet showing names, rate of pay, period worked, and total paid. Payees will thumbprint and Government Staff will witness payments. This applies to payment of warehouse staff, and labour engaged for work on Accra Beach. There are two Government Officers specially scheduled for the supervision of this work.
5. Payment of monthly paid staff will be made in the prescribed record book.
6. All claims for payment supported by the necessary documents will, after having been authorised for payment by me in writing, pass to the Accountant, who will issue the necessary instructions for payment to the Cashier. All such authorities and supporting documents will be cancelled by the Cashier as soon as payment has been made in respect of them.
7. The Secretary will prepare a statement during the course of each Committee, Sub Committee or General Meeting, which will show the names of each claimant attending, his claims for travelling, detention allowance, and other incidental expenses. Totals will also be shown. The statement will be laid before the meeting during its discussion of "Any other business", and after approval will be signed by the Chairman. A note of the amount so authorised to be paid, in total only, will be included in the minutes. A similar statement will also be prepared in respect of any claims made by paid staff of the C.W.E. in connection with the meeting, and will be approved and recorded in the same manner.
8. Cash Payment Vouchers will be prepared in respect of each payment and the three spaces for signatures completed. Where a payment is supported by a proper receipt from the Payee, this may be attached, and the space "Payee" endorsed see attached receipt". Witness space will always be completed, and where possible the signatures of Government Officers should be obtained as witness of payments. Under Departmental Instructions no Government Officer of the Department of Cooperation is permitted to sign a Payment Voucher as a Payee, or on behalf of a Payee.
9. All documents in support of claims for payment of Carriage of Goods will require the countersignature of a Government Officer before I shall be prepared to authorise their payment.
10. All completed Payment Voucher Books will be numbered serially during each financial year, and will be kept locked up by the Cashier.
11. The Cashier will be held personally responsible for any payments made which are not in accordance with these instructions.
12. In the absence of the Accountant, the Senior Book Keeper will endorse documents already authorised by me, and in my absence from the C.W.E. the Secretary may authorise expenditure provided such authorisation is countersigned by a Senior Officer of the Department of Cooperation and is referred to me for my confirmation on my return to the CWE.

- 13. All purchases of stationery will first be entered in stationery stock book from which issues will be made on signature.
- 14. Payments of cash into Bank will be made by the Cashier in accordance with Byelaw 29(g) which reads, "He shall pay into the approved Bank before 3 p.m. on each day all balances in excess of £100". Paying-in slips will be initialled by the Accountant, or in his absence as provided in para 12 above.
- 15. The Cooperative Bank will send a statement of account up to the close of business each Friday, and this, countersigned by the Accountant and the Government Officer supervising the Cash Book will be presented to me each Wednesday endorsed with a reconciliation statement.

Yours faithfully,

(Sgd.) J.OBUOBI

MANAGING SECRETARY

GOLD COAST COOPERATIVE WHOLESALE ESTABLISHMENT LTD.

22nd December 1950.

JO/BHK

- Copies to:-
- The Accountant
 - The Treasurer
 - The Secretary
 - The Wholesale-Keeper
 - The Beach Clerk
 - The Assistant Registrar (Consumers)
 - The Assistant Registrar - Audit.

DOCUMENT 4

C.W.E. PAYMENTS INTO BANK

DATE	CHEQUES	SLIP	FOLIO	AMOUNT	
Dec. 4	"	S2524	30	£ 300: -: -	
" 18	"		32	704:16: 2	
					£1,004:16:2d
Jan. 7	"	S2526	34	£ 625:16: 6	
" 15	"	S2527	36	1349: 1: -	
" 31	"	S2528	38	881: 7: 3	£2,856: 4:9d
Feb. 14		2529	40	£ 625:12: -	
" 18	Cash	2530	40	260: -: -	
" 20	"	2531	41	200: -: -	
" 29		2533	43	642: -: -	
" 29		2532	43	793:17: 8	£2,521: 9: 8d
Mar. 3		2534	43	£1366:17: 6	
" 15		10201	45	692:10: 3	
" 19		10202	45	207: 8: 1	
" 20		10203	46	6:14: 3	
" 21		10204	46	356: 6: 9	
" 22		10205	46	300: -: -	£2,929:16:10d
					<u>£9,312: 7: 5d</u>

(SGD.)

K.B. NTIM
SECRETARY
G.C.C.B.LTD.,
25/3/52.

GOLD COAST COOPERATIVE WHOLESALE ESTABLISHMENT LTD.

Airport
Ext. 51

P.O. Box 1525,
ACCRA,
Gold Coast.
7th December, 1950.

Ref.P.33/1683

Mr. J.D.E. Parker,
Gold Coast Cooperative Wholesale Est. Ltd.,
P.O. Box 1525,
Accra.

Dear Sir,

The General Meeting of the Cooperative Wholesale Establishment held at Kumasi on Saturday the 25th November 1950 has decided to offer you the post of Secretary to the Gold Coast Cooperative Wholesale Establishment Limited with effect from the 1st December, 1950. Your schedule of duties will be as follows:-

- (a) Correspondence between the C.W.E. and Consumers Societies, the Gold Coast Cooperative Bank, the Gold Coast Cooperative Marketing Association, the Department of Cooperation, local commercial establishments and other departments.
- (b) Routine correspondence between the C.W.E. and overseas trading concerns, and establishment of Documentary Credits.
- (c) Recording of minutes at all General, Sub-Committee Meetings of the C.W.E. and the circulation of the same.
- (d) Generally to assist the Managing Secretary in the discharge of his duties.

Your salary will be £300 per annum and this will be subject to review from year to year. This salary will be subject to the usual deduction of 5% being contribution towards Provident Fund.

I should be grateful if you would let me know as early as possible whether this appointment is acceptable to you on the terms indicated.

Yours truly,

(Sgd.) J.S. ANNAN
PRESIDENT

GOLD COAST COOPERATIVE WHOLESALE ESTABLISHMENT
LTD.

JO/BHK

DOCUMENT 6.

"B/

R.L. DANQUAH,
P.O. BOX NO. 1525,
ACCRA.
21st May, 1951.

The Managing Secretary,
C.W.E. Ltd.,
Accra.

Thro' The Secretary:

Sir,

The attached was a telegram I received from my father yesterday and as I cannot pull ends meet with this month's salary, I find it difficult to do the wishes of the telegram which must be done by all means and at all costs.

I am therefore begging that my salary for June be paid to me in the form of an advance payable in two monthly instalments.

Hoping to have your sympathy on this matter,

I beg to be,
Sir,
Your obedient servant,

(Sgd.) R.L. Danquah.

(2)

M.S.,

This is a matter in which I am prepared to show every sympathy in a practical manner. Danquah tells me that marriage with the young lady, who has just been delivered of a child is impossible and he has been called upon to pay her off. But the question is: "Can advances to staff be paid on the basis of his paragraph 2?" If the Committee's approval is required to the principle we have no option "but to refuse as I cannot support it as a general affair. If, on the other hand, it could be treated as a managerial proceeding I would recommend that the advance be granted in this particular instance.

(Sgd) J.D.E. Parker
Secretary 25/5/51.

(3)

Sec.,

I have spoken to Mr. Danquah. I agree to give him a month's advance of salary payable at the end of June 1951; at the beginning of July I am prepared to consider an advance of a third of his salary payable end of July. Usual application to be submitted for my approval.

(Sgd.) J.Obuobi
26/5/51

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DOCUMENT 7

Ben K. Addo,
(Cashier)
C.W.E.
Accra.
18th December, 1950.

The Managing Secretary,
C.W.E. Ltd.,
P.O. Box 1525,
A C C R A.

Dar Sir,

AUTHORITY TO INCUR EXPENDITURE AND
MAKE PAYMENTS OF CASH

Reference your letter O.60/1781 dated 16th December, 1950,
instructing me on how to deal with the above, I herewith acknowledge receipt.

Yours faithfully,

(Sgd.) Ben K. Addo.

DOCUMENT 8.

£ 96: -: -
 3: 3: -
 125: -: -
 34: 9: 2
 100: -: -
 260: -: -
 102: -: -
 300: -: -
 4: 6: -

I remember these figures
in my cash Book.

Money received from
3rd to 10th March
'52

B.K. Addo
(Sgd.)

Report on Incident - At the Airport CWE
of the 13th March 1952

From S.K.Chapman:

I, THE ACCOUNTANT, of the Co-operative Wholesale Establishment do hereby declare that I have checked as a routine of my work, the Cash Book of the Cashier, Mr.B.K.Addo on the 11th March and found approximately £700 as cash balance on Hand. I issued the necessary instructions to him to have the money banked. As I carry no suspicion on him and knowing quite well that he is conversant with his day to day duties. I did not have the slightest thought of anything that may happen. On the 12th instant just at the time of checking him he came and showed me a cablegram to New York which he intends despatching. I agreed and he left. The following morning when I came I was told there was a burglary.

Sgd. S.K. Chapman
14/3/52.

DOCUMENT 10

S.K.Chapman,
C.W.E.Ltd.,
ACCRA,
17th March, 1952.

The Managing Secretary,
C.W.E. Ltd.,
Accra.

Dear Sir,

In reply to your letter O.86/771 of 15th March 1952. I have to explain that subject to the new system of cash Book introduced for which you are in the know before introduction, daily record of cash balances are not recorded in the Cash Book other than monthly. Entries including cash are checked daily, and agreed with cash book.

I cannot tell you exactly what the balances were from day to day, other than the declaration in my statement of 14th March.

(Sgd.) S.K.Chapman
ACCOUNTANT-CWE.

ANALYSIS OF CASH BOOK BALANCES

PERIOD	BALANCE	CASH	CHEQUES	EXCESS CASH	TOTAL EXCESS
30/4/51	£159.16. 4d	£159.16. 4d	-	£ 59.16. 4d	£59.16. 4.d
31/5/51	392. 0. 4	211.14.10	£180. 5. 6d	111.14.10	292. 0. 4.
30/6/51	523. 6. 7.	363.12. 5	159.14. 2	263.12. 5.	423. 6. 7.
31/7/51	339.14. 8.	133.14. 8.	206. 0. 0.	33.14. 8.	239.14. 8.
31/8/51	192. 1.11.	192. 1.11.	-	92. 1.11.	92. 1.11.
30/9/51	309.12.10.	309.12.10.	-	209.12.10	209.12.10.
31/10/51	187. 5. 4.	187. 5. 4.	-	87. 5. 4.	87. 5. 4.
30/11/51	727.18. 6.	Not analysed			627.18. 6.
31/12/51	828.19. 6.	203. 3. 0.	625.16. 6.	103. 3. 0.	728.19. 6.
31/1/52	234.10.10.	Not analysed	-		134.10.10.
29/2/52	210. 3. 4.	Not analysed	Ⓚ		110. 3. 4.
13/3/52	1391.18. 2.	Not analysed	Ⓚ		1291.18. 2.

*
 Cheques £101. 0. 0d.
 M/Os 100. 0. 0d.
 Deficit 1190.18. 2.
 £1391.18. 2d

Ⓚ Kane's Analysis Cash £166. 3. 4.
 I.O.U. 40. 0. 0.
 Other Advances 4. 0. 0.
 £210. 3. 4.

SAVINGRAM

R.C.S.,
ACCRA. /

I forward herewith a report on my enquiry into the alleged robbery of £1,190.18.2d from the safe of the C.W.E. on 12th-13th March.

(Sgd.) G.N. Alema.

D.R. (CONS).
Accra. /4/52.

11B/1

ENQUIRY INTO THE ALLEGED ROBBERY OF
AN AMOUNT OF £1,190.18.2d FROM THE SAFE
OF THE C.W.E. ON 12TH TO 13TH MARCH, 1952

I with the assistance of Mr. Sparkes, Assistant Registrar (Consumers) have enquired into the case of the alleged disappearance of the amount of £1,190.18.2d from the safe of the Co-operative Wholesale Establishment at the Airport.

2. On the 13th of March at about 6.30 a.m. Mr. Addo the Cashier gave an alarm that the two padlocks of the strong room had been opened, Mr. Addo reported the incident to Mr. Obuobi who in turn reported this to the police immediately. The police arrived and found the strong room door in the condition as was reported. The strong room was then opened and the safe was also found unlocked and opened and all the contents cleared. Mr. Addo was then asked to state what the contents of the safe might be. He said he could not tell. Mr. Obuobi further enquired from him whether it exceeded £100. He replied that the amount very much exceeded £100. As to why he did not take this alleged heavy sum to the bank, Addo said he was confused and did not know what held him back. When the Managing Secretary enquired from Mr. Chapman (the Accountant) whether he was aware of what sum of money had disappeared he said he was unaware and this could only be verified after the cashier had completed his entries in the Cash Book. The Cashier was then asked to complete making his entries and after the Cash Book had been checked it was found that the amount alleged to have disappeared was £1,190.18.2d.

3. On the 11th, however, Mr. Chapman had checked the Cash Book and found that the Cashier's balance in hand, according to the Cash Book, was £700. It would be relevant to note that on the 3rd March the Cash Book was checked and the Cashier's book balance in hand was £210 and that the next date Cashier was checked (7 days after) the Cashier's balance in hand according to his book was £700. On both occasions the Accountant did not check the actual Cash in the safe but, on both occasions he advised the Cashier to take his monies or cash excess of £100 to deposit in the bank. On the 4th and 12th the Accountant did not choose to check the Cashier to find out whether his instructions had not been carried out. As between the 11th and 12th a further amount of £490 was alleged by the Cashier as have been paid into him. But by whom he could not say. The amount of £490 is too large to have been normally deposited on one day by any one or more societies, in any case the cashier should be in position to remember who made the payment or payments but, he would not remember. The cashier stated at the investigation that actually he had accumulated the amount of £1,190.18.2d in 6 days. How he managed to accomplish this was made in two conflicting statements as per evidence attached. On the 12th at closing time after most of the employees had taken their seats in the lorry, Akuffo returned to the office to take his 'Daily Graphic' which he had forgotten; the Cashier who was the only employee lagging behind in the premises requested Akuffo to lock one of the padlocks, which according to Akuffo was handed to him by the Cashier, this he locked and left the office to take his seat in the lorry. After he had taken his seat, the Cashier, according to corroborated evidence by Nuaman, the driver, Boateng, an accounts clerk, and Yeboah, did not board the lorry till 4 or 5 minutes which provoked most of the employees sitting in the lorry AR.5781. When the Cashier boarded the lorry

it would appear that he was very much excited and Boateng who sat by him had to remark that it would appear he was feverish and should see the doctor. The Cashier admitted during the enquiry that he was liable for the loss of the sum of £1,190.18.2d alleged to have been stolen. But all accounts had made it clear that no one saw the Cashier locking the strong room. Akuffo locked one of the padlocks but which padlock? The next day the padlocks of the strong room were all found opened. The safe was also found opened. The Cashier admitted that no one could have opened these locks unless the possessor of these keys. It is impossible for any robber to have acquired the keys of both the padlocks and the safe key. There was no doubt that Addo asked Akuffo to lock a padlock and that Akuffo locked it. But there is no evidence that Addo locked the other padlock. If Addo were genuine he could have locked the other padlock at the same time as Akuffo was locking his, in order to clear any doubt that Addo played 'Chairs' with the padlocks in the interests of good business. It was only Mr. Addo who had the key to the safe apart from the duplicate in the hands of the Co-Operative Bank. What kept Addo back as long as four minutes after all had boarded the lorry? Mr. Addo cannot escape responsibility for the disappearance of the contents of the safe.

4. According to Addo's own evidence which was corroborated by the Managing Secretary, Mr. Obuobi, he constantly reported to the Managing Secretary his cash position but, between the 3rd and the 12th he did not make any such report because actually there was no need to make any report to him, the Managing Secretary, as during this material period the wholesale was preparing to take stocks and had stopped issuing goods to all societies including Cash Societies. If Addo had received any money at all during this period it might have been a very small amount and nothing near £200. Yet he gave evidence that he had accumulated during this period 3rd March to 12th March about £1,300 or £1,126 or £1,190 or thereabouts a figure which he kept on vacillating about. Actually Addo had not so much cash in the safe but had rather accumulated financial statements as a reserve ready to present or enter up in his cash book in case of need to make good any deficits.

5. Mr. Addo's errors were so many and so obvious as to make him blameworthy in all respects. Also deserving of blame, though not to the same extent, were Parker and the Accountant, both of whom by neglecting that which it was their proper duty to do, contributed largely to the loss finally suffered by the Cooperative Wholesale Establishment. Parker who had been charged with responsibility for locking and unlocking one of the padlocks of the strong room entrusted to him weakly surrendered that responsibility to his subordinates. The Accountant, contrary to bye-law 29 (G), neglected to check the Cashier's book and cash holdings daily.

Both Parker and the Accountant admitted in their evidence that they had shirked the responsibilities entrusted to them and thereby betrayed the confidence reposed in them. Chapman, the Accountant, was exclusively responsible in helping Addo to play with his accounts as he did. Chapman in his evidence said on the 3rd and 11th he checked the books of the cashier and advised him to take to the bank his cash in hand over and above £100. It was his duty to find out whether the cashier had taken his instructions or not. Moreover it was his duty to check the cashier's pay in slip daily which should always reveal what amounts the cashier had deposited in the bank.

The bank statement which the Co-operative Bank tendered in evidence clearly indicated that on the 10th and 11th March, Addo went to the Bank and deposited cheques to the value of £384 and £200 respectively. If Addo had as much as was alleged he had in the safe why did he not deposit this? The accountant should have checked his pay in slip and initialled this to be sure of Addo's activities in the interest of good business, but this he neglected because, according to his evidence, he trusted Addo so much.

In conclusion, it is clear that Addo had not all that money in the safe as was alleged he had and was able to stage his pretext about a financial position which did not exist, chiefly due to the weakness and irresponsibility of the Accountant. It was not true that anyone else possessing the keys of the strong room and the safe entered the building, opened the strong room and the safe and emptied the safe. The watchman who kept the key of the building said the key was in his possession till the next morning and the door was not forced. If only Parker had not entrusted his responsibility to his subordinates the pretext might not have taken place.

(Sgd.) G.N.Alema
 DEPUTY REGISTRAR (CONSUMERS).
 April, 1952.

A W A R D

Under regulation 32 of the Regulations made under the Co-operative Societies Ordinance No.15 of 1937.

Whereas the following matter in dispute between

THE Gold Coast Co-operative Wholesale Establishment Limited.....

.....Registered No.520.....

and Mr.B.K. Addo.....

.....

.....

Concerning the disappearance of the sum of.....

£1,190.18.2d (one thousand one hundred and ninety pounds.....

eighteen shillings and twopence) from the safe of the Gold.....

Coast Co-operative Wholesale Establishment.....

.....

.....

.....

has been referred to me for determination by the Registrar's

order dated 31st March, 1952....., I, having heard the relevant

evidence and carefully considered the matter, hereby direct that

the said ... B.K.Addo.....

.....

to pay the said Gold Coast Co-operative Wholesale Establishment Ltd.

the sum of £1,190.18.2d (one thousand one hundred and ninety

pounds eighteen shillings and twopence).....

.....

together with interest at the rate of.....per cent

per annum until the realisation of the sum awarded.

The above amount shall be paid not later than the 15th.....

May, 1952..... and if it is not so paid, the amount may be

realised through a civil court.

Award given in the presence of

1. B.K.Addo.....

Sgd. C.G.JOANNIDES

2. J.S.Annan, President
C.T. Odonkor Obuobi
dated 9th April, 1952

Assistant Registrar of
Co-operative Societies.
ARBITRATOR

GEG.Informed both parties of right application for revision of award which application should reach the Registrar together with the grounds for it not later than the 30th April, 1952.

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HEARING OF DISPUTE - GOLD COAST
CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD.
REGISTERED NO. 520 AND MR. B. K. ADDO RE
THE £1190. 18/- ALLEGED TO HAVE DIS-
APPEARED FROM THE SAFE OF THE C.W.E.

9TH APRIL, 1952 - TIME 10.05 A.M.

1st Party : Represented by Mr. J. S. Annan,
President of C.W.E., Mr. C.T.
Odonkor, Committee member, C.W.E.,
Mr. J. Obuobi, Managing Secretary,
C.W.E.

Witnesses
for 1st.

J. D. E. Parker, Secretary, C.W.E.
Mr. S. K. Chapman, Accountant, C.W.E.
Main Spokesman, Managing Secretary
C.W.E.

2nd Party : Mr. Ben. K. Addo.

Witnesses : B. A. Akuffo.

Mr. J. Obuobi states on behalf of 1st party :-

Mr. B. K. Addo was first appointed as an ordinary Clerk of the C.W.E. in May, 1950 and on the 1st June 1950, he was appointed Acting Cashier. Before he could be confirmed in his appointment as Cashier, he had to provide cash security of £100. On the 4th and 6th July, we addressed two letters to him demanding a cash security of £100, certified copies of which I tender in evidence (Exhibit 'A', Exhibit 'B'). No replies were received to these and Mr. Addo could not provide the £100 until the 5th December 1950 and since that date he has held the substantive appointment of Cashier, C.W.E. Previous to November, 1950 the maximum amount of cash which according to the bye laws can be held in the safe of the C.W.E. was £20 but the C.W.E. general meeting held at Kumasi on November 15th 1950 authorised the increase of this to £100 and the relevant bye law 29G. was amended accordingly. As a result of this, I addressed two letters of instructions to the Cashier dated 16th and 22nd December, 1950, copies of which certified. I tender in evidence - Exhibits 'C' & 'D'. I tender in evidence Mr. Addo's acknowledgement - Exhibit 'E'. Since December, 1950 Mr. Addo as Cashier has been aware that he should not keep more than £100 in the safe, without the express knowledge and approval of the Managing Secretary the reason being that no loss should exceed his cash security of £100. On the morning of the 13th of March, 1952, as soon as we arrived at the Airport, Mr. Addo rushed into my room and raised an alarm that the lock barring the door to the strong room had been opened and all the cash in the safe removed. As a result, I sent for the Police.

...../Before

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Before the Police arrived, I asked Mr. Addo how much money he had in the safe overnight. He said he could not give me the exact amount. I asked him whether it was above £100. He said yes. I asked by how much was it above £100. He said he could not remember, but he said it was a substantial amount. I asked him why he did not deposit the excess over the £100 in accordance with my instructions. He replied that during the whole of the period, he was confused. When the Police arrived, we had to find out the exact amount which was alleged to have disappeared from the safe and Mr. Addo was instructed to enter up his cash book to date. After he made his entries the accountant verified that the amount should be £1391. 18. 2d. as per cash book folio 3133 which I submit for your examination. All entries in the cash book except the remarks are in the handwriting of the cashier Mr. Addo. Out of the balance of £1391. 18. 2d. the duly amount discovered was £201 and, made up as follows:- Money Order No. 13243 of 28/2/52 for £20. M.O. No. 13244 of 28/2/52 for £40 and M.O. 13245 of same day for £40 and Co-op. Bank Cheque No. 2303 of 27th Feb. 1952 for £101. The total deficit was therefore £1391. 18. 2d less £201 that is £1190. 18. 2. Remarks on page 3133 of cash book already submitted, made by the accountant, support this. The story of the Cashier was that the whole of the £1190. 18. 2d was removed overnight from the safe of the C.W.E. between the close of business on the 12th March 1952 and the morning of the 13th March, 1952. It became necessary for us to ask the Asst. Registrar of Audits to conduct an investigation into the alleged disappearance of the £1190. 18. 2d. On the 20th March he submitted a report marked "Strictly Confidential", a copy of which I tender in evidence - Exhibit 'F'. This is a most important document in our case as it proves that the amount of £1190.18. 2. which was alleged by the Cashier to have been removed from the safe between the close of business on the 12th March 1952 and the morning of the 13th March, 1952 was deliberately removed over a number of months before the 12th of March, 1952. Responsibility of which, we submit, rests with Mr. B. K. Addo, Cashier. We therefore ask for an award to compel him to make good to the C.W.E. the loss of £1190. 18. 2. we have sustained. We state that we do not find it necessary to call any of our witnesses.

(SGD) J. OBUOBI.

...../ 2nd Party.

2nd Party, Mr. B. K. Addo states :-

On the 13th of March, 1952, I arrived at the Airport C.W.E. Office, at 8.30 in the morning. I went to Mr. Parker's office in order to ask for the key to open the vault of the C.W.E. I found the paddlocks all opened. I raised an alarm in the office and went to Mr. Parker to inform him of what had happened and I met him in Mr. Obuobi's office and I told them that the padlocks of the vault were all opened. Mr. Parker rang the Police but no reply was made and he went to the Police Station and brought some Policemen and the Police people sprayed some powder on the padlocks, after that they opened the vault and I found that the safe in the vault had been opened. After that I took my cash book to see the entries in it. Then Mr. Chapman asked me of the correct amount removed from the safe and I told him to give me time to make the entries in the cash book so that I could show him the correct amount. After making all entries, I found that the correct amount removed was £1190. 18. 2.

(SGD) B. K. ADDO.

I do not wish to call witnesses.

(SGD) B. K. ADDO.

Q. 1st. Party:- I am aware that I am not to keep more than £100 in my safe. But at times the Managing Secretary also asks me to keep from £100 to £400 in the safe. This is when meetings are to be held. On the 12th of March, I did not receive any instructions to keep more than £100 in my safe. There was no meeting on the 12th of March 1952. The reason why I kept all this amount in the safe is because I did not know that I had all that money in the safe. It is not because the money was removed over a period of month, and this incident was not put up as a camouglage. I understand what Exhibit 'F' purports to say. I do accept the purport of Exhibit 'F'. I do not accept responsibility over the loss in question, as an answer to the claim against me as a responsible officer of the C.W.E.

Question: We put it to you that there is no proof that burglars entered the premises of the C.W.E. between the 12th and 13th of March 1952, that the safe was forced open and also because there are no other keys to the safe except the two sets of which one is with you and the other since 1949 with the Co-op. Bank Ltd therefore, there could be no access to the Safe except through you.

Answer: The vault and the safe can be opened by one who may be in possession of a duplicate key.

...../Q.A.

Question & Answer: I cannot tell that anyone else has in possession of a duplicate key. I have nothing to say.

(SGD) B. K. ADDO.

Questions - 2nd Party :- No questions.

Q. & A. to 2nd Party: I have acknowledged the receipt of Exhibit 'D' (dated 22nd Dec. 1952). I received it roughly two years ago. The entries in the Cash Book are in my own handwriting. During the week from the 12th March I could not have access to the Cash Book to make entries because the Auditors were writing on it. My Cash Book was entered up to and including the 10th March, 1952, at the time I was asked to bring it up to date.

(SGD) B. K. ADDO.

FINDINGS.

Under the bye laws of the C.W.E. and the instructions given thereunder, the Cashier Mr. B.K. Addo is responsible for the safe custody of the cash of the C.W.E. handled by him. Para 14 of Exhibit 'D' is relevant, and the breach of this by Mr. B. K. Addo has been the main cause of the loss of the £1190. 18. 2. which amount may have been appropriated by any person. If the person is any other than the Cashier, although the weight of evidence strongly points to that direction, even if this arbitration is not aimed at deciding an issue which is in part beyond its term - the Cashier is at liberty to proceed against such a person. The responsibility of the loss rests however primarily on the Cashier Mr. Addo and I order therefore Mr. B. K. Addo to repay the amount of £1190. 18. 2 to the Co-op. Wholesale Establishment Ltd. not later than the 15th May, 1952.

Informed parties of right of appeal to R.C.S. not later than 30th April, 1952, giving grounds of such an appeal.

(SGD) C.G. JOANNIDES.
9. 4. 52.
ARBITRATOR.

Attachment "D"

AR/NF.520/A.U.144.

Department of Co-operation,
 Audit Division,
 P.O. Box 906,
 Accra.

LY CONFIDENTIAL

31st March, 1952.

CASH BOOK BALANCE AT 12TH MARCH, 1952.

Further to my letter No. AR/NF.520/138 dated 20th March, 1952, addressed to the C.W.E., and your confidential minute of 22/3/52, I have now carried out and exhaustive examination of the Cash-book of the C.W.E. and have to report as follows :

2. The first obvious traces of irregularity appear at the end of May, 1951, and from then on form a continuous pattern. Although the form of fraud involved is perhaps the simplest and most commonly met with, it is yet particularly difficult to detect at once. Its method is simply the holding back for a time of moneys received. Usually, the perpetrator in the first place only intends to "Borrow" his employer's money hoping at the end to be able to replace it. When, however, he is unable to do so the falsification which was originally embarked upon is continued from time to time until the irregularities are eventually discovered. It is almost an impossibility to permanently conceal them. Where the officer receiving the money is also the officer responsible for giving receipts — as he is in this case — it is virtually impossible to detect from internal sources the "holding-back" of receipts, but in the cases under review there was considerable manipulation of receipts by cheque and this should have led to early discovery had the checking officer carried out his elementary duties in checking the cash balance at the month end. In fact it should have been discovered at the end of May, 1951, had the Accountant checked the composition of the cash balance and compared it with the recorded receipts.

3. Had this been done it must have been apparent that the cash specification at 31/5/51 included a cheque (co-op Bank No. 2281 for £178. 8. Od drawn by Bogosu Co-operative Society Ltd.) which had not been recorded as a receipt during the month of May. This cheque was subsequently entered in the cash book as a receipt on 5/6/51. As it was included in the cash balance brought forward at 1/6/51, it is clear that, in effect, it is twice entered, and the amount it represents in cash was extracted from the actual cash in hand. This extraction of cash could, of course, have actually occurred at any time previous to the balancing.

4. A similar case occurs at 30/6/51 when three cheques, as below, were used in the same way to substitute for non-existent cash.

(i)

GISTRAR OF CO-OPERATIVE SOCIETIES,
 DEPARTMENT OF CO-OPERATION,
 ACCRA.

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(i)	Co-op Bank No. 2080	£ 90. 0. 0.
(ii)	B.B.W.A. No.E/20 17810	4. 4. 0. and
(iii)	B.B.W.A. No.B/120 220885	5.10. 2.

All these cheques were included in the cash balance at 30/6/51 and also posted in the cash book as receipts on 5/7/51.

5. Another instance occurs at 31/7/51 when the cheques, as below, were similarly misused :

(i)	Co-op Bank No. 2083	£200. 0. 0.
(ii)	Barclays No.51/T 90532	6. 0. 0.

These are recorded as received on (i) 4/8/51 and (ii) 8/8/51 respectively.

6. It appears fairly clear from these examples that the cashier was regularly "borrowing" cash and bolstering-up the resultant shortage by "borrowing" cheques to the required amount. The cheques were of course, received by him in the normal way but he was omitting to record them at the time of receipt. After they had served their purpose at the end of the month they were then recorded as receipts in the following month — the receipt voucher being made out as the same date — and the procedure repeated at each month end.

7. At the end of August, 1951, appears a slight variation in method whereby instead of the actual cheques being presented as part of the cash balance, they were paid in to Bank on or about the last day of the month. The effect of this was not materially different, but it did remove the necessity to include details of mis-used cheques in the cash specification shown in the cash-book. Such detail remained available, however, on the Bank paying-in slips from which the following has been extracted :

Cheque No./

Cheque No.	Paid-in to Bank (date)	Amount			Recorded as Receipt in Cash-Book (date)
		£	s	d	
284	31. 8. 51	200.	0.	0.	1.9.51
96553	31. 8. 51	60.	0.	0.	25.9.51
/30 010524	31. 8. 51	1.	18.	6.	?
292	31.10. 51	290.	0.	0.	1.10.51
30875	31.10. 51	200.	0.	0.	2.10.51
?	30.11. 51	211.	19.	9.	18.12.51
8755	18.12. 51	400.	0.	0.	29.12.51
/120 238934	18.12. 51	260.	6.	9.	15. 1.52
60938	18.12. 51	34.	19.	5.	1. 2.52
299	31. 1. 52	184.	13.	0.	1. 2.52
300	31. 1. 52	162.	19.	0.	1. 2.52
B/120 239003	31. 1. 52	16.	18.	7.	4. 2.52
B/120 238960	31. 1. 52	107.	11.	10.	4. 2.52
63670	31. 1. 52	2.	19.	11.	4. 2.52
52020	31. 1. 52		16.	11.	4. 2.52
B/120 239038	31. 1. 52	105.	8.	0.	4. 3.52
G/C 164897	14. 2. 52	24.	0.	0.	4. 3.52
18968	29. 2. 52	500.	0.	0.	4. 3.52
B/120 241761	29. 2. 52	13.	17.	8.	7. 3.52
2094	29. 2. 52	280.	0.	0.	4. 3.52

8. At the end of March it would have been necessary to account in the cash balance for the sum represented by the five last entries above i.e. £923. 5. 8d, which amount had been recorded as received in March but used to make good cash deficiencies at the end of January and February. As 31st March is normally the last day of the financial year all accounts would be reconciled at that date. It would not have been easy to delay the entries of receipts, because customers would expect to be given credit for their payments before the end of the financial year. Moreover, the Auditors would require the books to balance — which they could not do unless the receipts concerned were brought to account in the cash book. At this stage came the alleged robbery and the disappearance of the whole cash book balance of £1,190.18. 2d.

9. An Analysis of the cash-book reveals the composition of the balance to be made up as follows :

Cheques	...	£ 923. 5. 8.
Cash	...	267.12. 6.
		<hr/>
		£ 1190.18. 2.

It is, however, beyond dispute that the cheques which should have been there according to the cash-book, had been paid-in to the Co-op Bank long before the "robbery" occurred. Oddly, a number of cheques which were unquestionably in the safe were not stolen. It follows that if the sum of £1190.18. 2d was, in fact, stolen between the 12th and 13th of March it must have been in cash, and such a sum — £1090.18. 2d in excess of the authorised cash balance — must have been accumulated over a considerable period. For what legitimate purpose it would be interesting to know. However, a

not/

not unreasonable assumption is that the money was not there at all at the time of the alleged robbery.

10. What is, in any case, quite apparent is that there has been considerable manipulation of the cash book. If the purpose of the wrong entries was to misappropriate, either at the material time or at some later date, the funds of his employer, then prima facie the perpetrator is guilty of embezzlement. In any case he is prima facie guilty of the criminal offence of falsification of accounts (see "Laws" of the Gold Coast, Cap. 9, Section 278).

11. The normal check against such manipulations is two-fold, viz:

- (i) an internal check of the cash balance at any time against the entries in the cash book and the bank paying-in slips, and.
- (ii) the submission to customers of regular statement of account, prepared by an officer in no way connected with recording cash, showing, inter alia, the amount owing to or by the customer at a given date (usually the month end).

Clearly, whoever was responsible for the first completely failed in his duty. So far as the second is concerned, the recent history of the C.W.E. shows that such statements have been sent out so infrequently as to cause considerable critical comment by Government staff which culminated in a letter written to the Accountant by the President (C.W.E. letter No. 0.58/409 dated 8/2/52), instructing him to send out statements monthly. As a result, statements of account were sent out (presumably to all customers) for the month of January, 1952.

12. It has now come to my notice that the Bogosu Co-operative Society Ltd., returned the statement of account forwarded to it and claimed that it was incorrect in so far as neither the payment of £184.13. 0d made by it on 16/1/52 nor the payment of £162.19. 0d made on 24/1/52 was entered on it. Even the most cursory examination of the cash book would have revealed that these amounts had been recorded as received in February. This, in itself, should have prompted a closer investigation which should, in turn, have revealed that the cheques concerned were paid into Bank on 31 January -- an obvious irregularity. Instead, a "supplementary" statement of account (No. 433 dated 31/1/52) was prepared in which the two amounts were included as credits. As these entries were not at the material time entered in the personal account of the Bogosu Society in the ledger of the C.W.E. this, in itself, was a grave irregularity.

13. As a result of these disclosures the departmental auditors questioned the clerk, Mr. O. L. Bannerman, who actually compiled the "supplementary" statement of account sent to Bogosu. In a signed statement he says :

" I agree that the Supplementary Statement No. 433 of 31 January, 1952, for Bogosu was prepared by me and the two amounts - £184.13. Od and £162.19. Od respectively were taken from the Cash Book and not from the ledger.

I was instructed by the Accountant to do it just to agree with their accounts Statement."

Bannerman himself cannot be absolved from complicity in a grave offence, but if his statement is true that he was "instructed by the Accountant", then that officer is, at best guilty of an unforgivable dereliction of duty and unfitted for the responsible post he holds. There is also need to consider the prima facie evidence of complicity in fraud, (See Laws of the Gold Coast, Cap. 9, Sections 46 and 49).

14. I am satisfied that the accounts of the Co-operative Wholesale Establishment Limited can no longer be left in the hands of Mr. S.K. Chapman and I have no hesitation in recommending that he should forthwith be removed from the office of Accountant.

(Sgd.) D. NAYSMITH,
ASSISTANT REGISTRAR, AUDIT.

The Gold Coast Police
(Criminal Investigation Department)
ACCRA
Gold Coast.

No. CID/A.R. 36/52.

12th March, 1953.

HOUSEBREAKING (ALLEGED) AND
FALSIFICATION OF ACCOUNTS

Ref: your AAP. 42D/33/52 of 8. 3. 53.

I have forwarded your Docket and exhibits to Mr. Hayward, Senr. Superintendent of Police/Fraud, for his perusal. He will return it to you for filing in due course. Please then close the investigation and complete your records. I do not propose to institute proceedings in respect of this case as the Co-operative Wholesale Establishment have proceeded against the parties concerned under the provisions of the Co-operative Oruinance and have, I understand, obtained judgment.

2. This is not a satisfactory outcome and in reaching my decision I have had to consider the unnecessarily long delay in bringing investigations to finality. In a Progress Report dated 10th. November, A.S.P. "C" District reported that "the suspects were being proceeded against", this statement appears to have been incorrect and was misleading to this office. There appears to be no explanation as to the further delay since that date. Please therefore ensure that cases do not become lost in this manner.

(Sgd) M. Gordon.
AG. ASST. COMMR/C.I.D.

SENR. SUPERINTENDENT,
GOLD COAST POLICE,
A C C R A.

P.O./
Copy to A.S.P./C
for information. CHKS.

Copy to:

18/3/53.

SENR. SUPT/FRAUD,

Attachment "F"CO-OPERATIVE WHOLESALE ESTABLISHMENT

Report by Messrs. Casselton Elliott & Company on the
Cash Deficit of £1,190.18. 2 at 12th March, 1952

We have examined the Cash Records of the Co-operative Wholesale Establishment for the period 1st June, 1951, to 12th March 1952 and report as follows:

1) Cash Balance at 31st. May 1951 was said to consist of

Cheques	..	£178. 8. -
"	..	1.17. 6
Cash	..	<u>211.14.10</u>
		<u>£ 392. 0. 4</u>

We found no sum entered in the Cash Book Receipts column during May to coincide with the cheque for £178. 8. 0, but that a like amount was in fact entered on 4th June, 1951.

2) Cash Balance at 30th June 1951 was said to consist of

Unspecified cheques	159.14. 2.
Cash	<u>363.12. 5.</u>
	<u>£ 523. 6. 7.</u>

We found no sums entered in the Cash Book Receipts column during June to coincide with these cheques for £159.14. 2d. but the following cheques were entered on 5th July 1951.

Cheque	..	150. 0. 0.
"	..	4. 4. 0.
"	..	<u>5.10. 2.</u>
		<u>£159.14. 2.</u>

3) Cash Balance at 31st July 1951 was said to consist of

Unspecified cheques	206. 0. 0.
Cash	.. <u>133.14. 8.</u>
	<u>£339.14. 8.</u>

We found no sums entered in the Cash Book Receipts column during July to coincide with these cheques. During the first week of August the following cheques were included in the Cash Book:

2/8/51	Cheques	200	No.2083
8/8/51	"	<u>6</u>	51/T90532
		<u>£206</u>	

4) The following cheques were lodged on the Co-operative Bank on 31st August, 1951:

Cheques	..	200. - . - .	No.2084
"	..	60. 0. - .	51/T96553
"	..	<u>1.18. 6.</u>	D/30 010524
		<u>£ 261.18. 6.</u>	

We found that the cheques for £200 and £60 were entered

in the Cash Book Receipts column on 1st September and 25th, September respectively.

The Cash Balance at 31st August was said to consist wholly of cash.

5) The following cheques were lodged in the Co-operative Bank on 31st October 1951:

Cheque	290. - . - .	No.2292
"	4. 5. 2.	62914
"	<u>200. 0. - .</u>	F.00875
	<u>£ 494. 5. 2.</u>	

We found that the cheques for £290 and £200 were entered in the Cash Book receipts column on 1st November and 2nd November respectively.

The Cash Balance at 31st October was said to consist wholly of cash.

6) The following cheques were lodged in the Co-operative Bank on 30th November, 1951:

Cheque	250. - . - .	No.2089
"	19.17. 0.	G/C.160119
"	<u>211.19. 9.</u>	
	<u>£481.16. 9.</u>	

We found that the cheque for £211.19. 9 was not entered in the Cash Book receipts column until 18th December, 1951.

There was no indication of the make up of the Cash Balance at 30th November 1951 but only a note written by the Co-operative Auditor at that date to the effect that the cash was counted and amounted to £727.18. 6. The Balance per the Cash Book at that date was £404.18. 2.

7) There was no Bank Lodgement on the 31st December 1951, the previous one having been made on 18th December, 1951.

The Cash Balance at 31st December 1951 was said to consist of

Unspecified cheques	625.16. 6.
Cash	<u>203. 3. - .</u>
	<u>£ 828.19. 6.</u>

Of this amount £625.16. 6 was lodged in the Bank on 7th January 1952 made up as follows;

Cheque	24. - . - .	No.D/10 3435
"	5.17. 6.	51T/90935
"	<u>595.19. - .</u>	2297
	<u>£625.16. 6.</u>	

We noted that the cheque for £595.19. 0 was entered through the Cash Book Receipts column on 12th January and could not have formed part of the Cash in hand Balance at 31st December 1951.

8) The following cheques were lodged in the Co-Operative Bank on 31st January, 1952:

(126)

Cheque	300. - . - .	No. 2117
"	184. 13. - .	2299
"	162. 19. - .	2300
"	107. 11. 10.	B/120 238960
"	105. 8. - .	" 239038
"	16. 18. 7.	" 239003
"	2. 19. 11.	63670
"	0. 16. 11.	52020

£ 881. 7. 3.

We found that of the above the following were entered through the Cash Book Receipts column during February and March 1952:

1/2/52	184. 13. - .	" 2299
"	162. 19. - .	2300
4/2/52	107. 11. 10.	B/120 238960
"	2. 19. 11.	63670
"	0. 16. 11.	52020
4/3/52	105. 8. - .	B/120 239038

There was no indication of the make up of the Cash Balance at 31st January 1952.

9) The following cheques were lodged in the Co-operative Bank on 29th February 1952:

Cheque	500. - . - .	No. 18968
"	280. - . - .	2302
"	13. 17. 8.	B/120 241761
"	42. 0. - .	2118
"	450. - . - .	2094

£1285. 17. 8.

We found that of the above the following were entered in the Cash Book Receipts column during March, 1952:

4/3/52	500. - . - .	No. 18968
"	280. - . - .	2302
7/3/52	13. 17. 8.	B/120 241761

There was no indication of the make up of the Cash Balance at 29th February 1952.

10) Cash Receipts entered in the Cash Book from 1st-12th March 1952 totalled 2,987.13. 3.

Cash Payments for the same period other than Bank Lodgements. 228. 17. 7.
2,758. 15. 8.

Of this amount there had been Banked on

3/3/52	..	1,366. 17. 6	
29/2/52 as in para 9 above	..	793. 17. 8	
14/2/52	..	<u>24. - . -</u>	2,184. 15. 2.

True Cash Book Balance at 12th March 1952 .. 564. 0. 6.

Cheque and Money Order found in Safe on 13th March 1952 201. 0. 0.

Deficiency of Cash allegedly stolen .. 373. 0. 6.

Deficiency of Cash arising from manipulation of Books .. 817. 17. 8.

GENERALLY

a) Paragraphs 1 - 3 and 7

As we have not had an opportunity of examining the Bank pay-in-slips covering the period 31st May - 31st July 1951, we cannot therefore say when the cheques in question were paid into the Bank and we must assume that they were indeed counted as part of the cash in hand at the month-ends.

It would appear therefore that the Cashier, in order to cover up cash deficiencies included in the month-end cash Balances cheques which were not entered in the Cash Book until the succeeding month, and was thus able to agree the physical Cash with the Cash Book Balance.

b) Paragraphs 4-6 and 8-10

During the periods covered by these paragraphs cheques were lodged in the Co-operative Bank on the last day of the month but were not entered in the Cash Book Receipts column until the succeeding month. This procedure had the effect of lessening the actual Cash Book Balance at the month end and thus enabling the Cashier to produce a smaller amount of cash to be checked than what should have been actually in his possession.

c) It appears evident therefore that regular cash defalcations have taken place over the period covered by this report.

Attachment "A" to Chapter 19 with
Original Report.

ATTACHMENT "B"

Form. Ref. T.L. 573. (Revised.)

WILM LINE LIMITED.

Dr. No. 46279

ACCRA STATION.

5 - 6 - 1953

RECEIVED in good order and condition the undermentioned cargo ex

SHIP TAURUS PER D/O No. 8420

CONSIGNEE G. C. Co-op LTD.
ORRY No.

Marks and Numbers	Contents	Cases	Bales	Barrels	Bundles
-------------------	----------	-------	-------	---------	---------

B/L / 51

C Coop Accra	/N /N	= 50	Bales	flour	
-----------------	-------	------	-------	-------	--

FIFTY

Williams.

ATTACHMENT "C"GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD
(REGISTERED No. 520)Bankers :
Gold Coast Co-operative Bank Ltd.P.O. Box 1525ACCRA,
Gold Coast8th June, 1953Mr. E.H. Amagashie,
(Beach Clerk),
C.W.E. , Ltd.,
Airport,
ACCRA.

Dear Sir,

Re Wet Bags of Flour - 275 Sacks Flour

Due to the wet condition of flour on Accra Beach which I have inspected myself, I am authorising you to dispose them to any highest bidder in the market and give me full particulars.

Yours Faithfully,

for: GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT , LTD.

Ajete Bahun
MANAGING DIRECTORCopy to :- The Joint Liquidators,
Airport, ACCRA.The Ministry of Labour,
ACCRA.

ATTACHMENT "D"

G.C. C.W.E. Ltd.,
 P.O. Box 1525,
 ACCRA.
 8th June, 1953.

The Joint Liquidators,
 Department of Co-operation,
 Airport - ACCRA.

Dear Sirs,

RE C.W.E. STOCKS

I have been officially informed by my Beach Clerk Mr. E.H. Amagashie that three of your Inspectors Messrs Danso, Tetteh and Hammond have gone to the Beach to take certain stock of C.W.E. goods lying on the beach without my prior information.

I must humbly refer you to the minutes of meeting held on Monday, 18th May 1953 viz.

" That full responsibility for stocks and there issue should be taken from the Liquidators and handed over to the Managing Director ".

I must point out that these Inspectors are trespassing on unlawful grounds.

Will you please instruct them to stop this practice at once.

Yours faithfully,
 for: GOLD COAST CO-OPERATIVE WHOLESALE EST. LTD.,

(SGD) Ajete Bahun
 MANAGING DIRECTOR.

Copy to:- The Permanent Secretary, Ministry of Labour,
 P.O. Box 1423, Accra.

ATTACHMENT "E"

Ref. T.L. 573. (Revised.)

AM LINE LIMITED.

Dr. No. 27412

ACCRA STATION.

..... 9 - 6 - 1953

RECEIVED in good order and condition the undermentioned cargo ex

SHIP TAURUS PER D/O No. 8420

CERY No. CONSIGNEE G.C. Coop LTD

Books and Numbers	Contents	Cases	Bales	Barrels	Bundles
-------------------	----------	-------	-------	---------	---------

B/L /51

G.C. Coop Accra	/N /N	= 100	Bales	flour	
--------------------	-------	-------	-------	-------	--

One Hundred

30 Bales stained by seawater and 2 Bales burst

R /492794 of 8⁶/53

Williams.

THE GOLD COAST CO-OPERATIVE
BANK LIMITED

12719

Accra BRANCH.
11 - 6 - 1953.

Credit C. W. E. Liquidation A/c

Current A/C	£	s.	d.
.....	989	18	-
.....			
.....			
.....			
Savings			
Fixed Deposit			
Loan			
Loan Interest			
Commission			
Ledger Fees			
Transfers			
Total	£989	18	-

Nine hundred and Eight Nine pounds,
Eighteen Shillings pence,

Paid in by Ajete Bahun For GOLD COAST CO-OPERATIVE
..... BANK LTD.
Received by K.S. Asare
..... Secretary

	£	s	d
Notes £1	787	-	-
10/-	69	10	-
Coins 2/-	91	18	-
1/-	41	4	-
6d.		6	-
3d.			-

Nickel
Money Orders
Postal Orders

Total	989	18	-	Summary	Cash	989. 18.
-------	-----	----	---	---------	------	----------

Total £989. 18

A. C. D/N 27421.

GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD.

No. 2133.

W A Y B I L L.

Station of Origin Accra Beach Date 11 - 6 - 53

GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LIMITED REGISTERED No. Wholesale keeper Airport W/S

Please receive the following in good condition per Lorry No. AR8538

Driver Carl Norman

QUANTITY.	MARKS AND NUMBERS ON PACKAGES	PARTICULARS	REMARKS
28	G.C. Co-op-	Bales Robinhood Flour (2 X 50 lbs.)	
(28) Williams	3 Bales without cover.	Ex' Tarrus.	G.Hanson Mettle.
	Despatch as above.		Received as above in good condition.
	Clerk.	Carl Norman Driver	G.Hanson Mettle. Recipient 20/7/53.

A. C. D/N 27415.

GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD.

No. 2132

W A Y B I L L.

Station of Origin Accra Beach Date 9 - 6 - 53

GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LIMITED REGISTERED No. Wholesale Keeper Airport W/S

Please receive the following in good condition per Lorry No.....

Driver.....

QUANTITY.	MARKS AND NUMBERS ON PACKAGES	PARTICULARS	REMARKS
97	G.C. Co-op-	Bales Robinhood Flour (2 X 50 lbs.)	Inv.1082
(97) Williams	(Ninety Seven)		
	Despatch as above.		Received as above in good condition
	Clerk.	ASHRIFI KOJO Driver	G. Hanson Mettle. Recipient. 20/7/53.

Attachment #11

A. C. 27412.

GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD.

No. 2131

W A Y B I L L.

Station of Origin Accra Beach Date 9 - 6 - 53
GOLD COAST CO-OPERATIVE WHOLE
ESTABLISHMENT LIMITED REGISTERED No. Wholesale Keeper Airport W/S

Please receive the following in good condition per Lorry No AR 8538
Driver Ashrifi Kojo

QUANTITY.	MARKS AND NUMBERS ON PACKAGES	PARTICULARS	REMARKS
100	G.C. Co-op- Accra	Bales Robinhood Flour (2 X 50 lbs.) (100) (One Hundred)	Inv 1082
(100)			Ex' Tarrus G. Hanson Mettle
	Despatch as above.		Received as above in good condition.

Williams

ASHRIFI KOJO G. Hanson Mettle
Clerk. Beach. Driver. Recipient.
20/7/53.

Attachment #11

A.C. D/N 46279.

GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD.

No. 2130.

W A Y B I L L.

Station of Origin Accra Beach Date 5 - 6 - 53
GOLD COAST CO-OPERATIVE WHOLE
ESTABLISHMENT LIMITED REGISTERED No. Wholesale Keeper Airport W/S

Please receive the following in good condition per Lorry No. AR8538
Driver ASHRIFI KOJO

QUANTITY.	MARKS AND NUMBERS ON PACKAGES	PARTICULARS	REMARKS
50	G.C. Co-op. Accra	Bales Robinhood Flour (2 X 50 lbs) (50) Fifty	Inv 1082
(50)			Ex' Tarrus G. Hanson Mettle.
	Despatch as above.		Received as above in good condition

Williams

ASHRIFI KOJO G. Hanson Mettle.
Clerk Driver. Recipient

ATTACHMENT "IV"SUMMARY OF SALES OF FLOUR DETERIORATEDIN ACCRA WHOLESALE:

<u>DETERIORATING</u>	<u>QUANTITY</u>	<u>SELLING PRICE</u>	<u>AMOUNT</u>
1st Grade	250 sacks	@ 3/- each	750. -. -. .
2nd Grade	100 sacks	@ £1.11/- each	155. -. -. .
<u>COMPLETELY DETERIORATED</u>			
<u>1ST FLOUR</u>			
1st Grade	100 sacks	@ £1. 5/- each	125. -. -. .
2nd Grade	100 sacks	@ £1. each	100. -. -. .
	<u>550 sacks</u>		<u>£1,130. -. -. .</u>

(SGD) AJETE BAHUN
7/7/53

C O P YATTACHMENT "10"ES EX ACCRA BEACHCONDITION OF FLOUR

lightly	wet	50 sacks	£3: per sack	£150. - . -
	wet	100 "	£2.10/- each	250. - . -
pletely	wet & caked	125 "	£1. each	125. - . -
		<u>275 sacks</u>		<u>£ 525. - . -</u>

(SGD.) Ajete Bahun

7/7/53

THE GOLD COAST CO-OPERATIVE
BANK LIMITED

12720

.....
..... Accra BRANCH
.....
..... 12 - 6 19 53
.....

Credit C. W. E. Liquidation A/c

Current A/C	£	s.	d.
.....	410	2	
.....			
.....			
.....			
Savings			
Fixed Deposit			
Loan			
Loan Interest			
Commission			
Ledger Fees			
Transfers			
Total	<u>£410</u>	<u>2</u>	<u>-</u>

.....
Four Hundred & Ten Pounds
.....
Two Shillings pence,
.....

Paid in by Ajete Bahun For GOLD COAST CO-OPERATIVE
.....
BANK LTD.
K.S. Asare
.....Secretary

	£	s	d
Notes £1	410		
10/-			
Coins 2/-		2	
1/-			
6d.			
3d.			
Nickel			
Money Orders			
Postal Orders			

Total	£ 410	2	-	Summary	Cash	£410.2. -	
						Total	<u>£410.2. -</u>

CASH PAYMENT VOUCHER.

Date of payment... 4/6/53.....

Payable to... Mr. Ajete Bahun.....

Amount payable
.....6.....pounds
.....shillings
.....pence £ 6 : s : d

Authority for payment.....
Ajete Bahun, Managing Director
.....
GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD.
.....

Purpose of payment
8 Days travelling allowance for touring
the Trans-Volta, Accra.....

Signature of paying-officer.
(Sgd) Received in full,
Ajete Bahun.
4/6/53.
(Originally 1st altered to 4th)

THE GOLD COAST COOPERATIVE WHOLESALE EST. LTD.
Registered No. 520.

CLAIM FOR TRAVELLING ALLOWANCE:

ble to Mr..... Ajete Bahun.....
the month of May 1953..... £ s d
.....8.....Nights at 15/- per night..... = 6 : :
Accra to Trans-Volta.....
back.
From. 23: 5 : 53.....to..30 : 5 : 53...
he rate of.....£60 : : a month..... =
£6 : :

IVED This..... day of JUNE, 1953.....
sum of...SIX...pounds.....shillings...and.....pence.

roved:
Ajete Bahun.....

ATTACHMENT "B"

Serial
No.
205
.....

CASH PAYMENT VOUCHER.

i. Date of payment 12th June 53.
.....

ii. Payable to, Mr. Ajete Bahun.
.....
.....
.....

iii. Amount payable
SIX
.....pounds
.....shillings £ 6 : s : d
.....pence

iv. Authority for payment.....
Ajete Bahun, Managing Director
.....
GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD.
.....

v. Purpose of payment
To cost of half Taxi Fare from Aflao to Accra.
.....

vi. Signature of paying-officer
(Sgd).....
Received in full.
Ajete Bahun.
12/6/53.

/ COPY /

Attachment "D"

Secretary,

With reference to your minute above.

Please inform Mr. Bahun the Secretary of the C.W.E. that in view of the facts, firstly, that I have received a report that severe damage occurred to the Station Wagon the property of the C.W.E. and secondly, he was absent from the Headquarters of the C.W.E. at the time of the visit of the Commission of Enquiry.

I require from him a full explanation of his activities during the week 23 - 30th May together with details of where he was each night, and also I require a report of the circumstances of the accident.

(Sgd.) T. Hutton Mills,
Minister
8/6/53.

1523,

Attachment "E"

1523

9th June, 1953

11060/80

"Confidential"

Sir,

I have been directed by the Minister to inform you that he has received a report that severe damage occurred to the station wagon, the property of the Co-operative Wholesale Establishment, and he desires to have from you a full and detailed written report of the accident.

2. The Minister further requests you to give a written explanation of the reasons for your absence from the headquarters of the Co-operative Wholesale Establishment at the time of the visit of the Enquiry and a full explanation of your activities during the week of the 23rd to the 30th of May together with details of where you spent each night.

3. I should be grateful if you would regard the above as of extreme urgency and submit your written report without any delay.

I have the honour to be,
Sir,
Your obedient Servant,
(Sgd.) I.G. Jones.
AG: PERMANENT SECRETARY.

A. BAHUN ESQR.,
SECRETARY,
CO-OPERATIVE WHOLESALE ESTABLISHMENT,
HEADQUARTERS, ACCRA AIRPORT,
ACCRA.

Attachment "F"

Spoke to Bahun on the telephone at 9.5 10th, emphasised the urgency of a reply to the above

I.G.J.
10/6/53.

744
ATTACHMENT "G"

GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD.

P.O.BOX 1525,
ACCRA
GOLD COAST

10th June, 1953.

Confidential

Sir,

With reference to your Confidential letter No.11060/80 dated the 9th instant, I have to inform you that full report of the accident has been reported to the Honourable A.E.Inkumsah, Minister of Labour and Co-operation; and my activities during the 23rd to 30th instant had the full sanction of the Minister of Labour and the Managing Director of the Co-operative Wholesale Establishment, Mr.Kodwo Mercer as the later arrives on the 16th of this month, I would respectfully desire you to ask him to furnish you with the details of all you require.

I have the honour to be,
Sir,
Your obedient Servant,

(Sgd) A. BAHUN

S E C R E T A R Y.

The Permanent Secretary,
Ministry of Labour,
P.O. Box 1523,
ACCRA.

11060/88

1523,

"Confidential"

10th June, 1953.

Sir,

With reference to your Confidential letter dated 10th June 1953, in reply to my Confidential letter Ref: 11060/80 of the 9th June 1953, I am directed by the Minister to inform you that he takes great exception to your reply as contained in your letter under reference to my letter of the 9th June, 1953, in which you were asked to furnish a detailed written report of the accident to the C.W.E. station wagon and a full explanation of your activities during the week of the 23rd to the 30th of May, 1953, together with details of where you spent each night during such period.

2. I am further directed by the Minister to inform you that there is no trace of any written report alleged to have been furnished by you to the Honourable A.E.Inkumsah, Minister of Labour and Co-operation in regard to the accident in any of the files of the Ministry. Further there is nothing on record showing that the Minister or Mr. T.K.Mercer, Managing Director of the Co-operative Wholesale Establishment sanctioned your activities during the period of the 23rd to the 30th of May, 1953.

3. I am requested by the Minister to ask you to comply with the instructions as contained in my letter to you of the 9th inst., by furnishing me with the written report and the explanation called for within twenty-four hours of the receipt of this letter; otherwise he will be compelled to take drastic steps against you in this matter without any further delay.

I have the honour to be,
Sir,
Your obedient Servant,

(Sgd) I.G.Jones,
AG: PERMANENT SECRETARY.

A.BAHUN, ESQR.,
SECRETARY,
CO-OPERATIVE WHOLESALE ESTABLISHMENT, LTD.,
P.O.BOX 1525,
ACCRA.

ATTACHMENT "J"

GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD.

P.O.Box 1525,
ACCRA
12th June, 1953.

Sir,

With reference to your letter No.11060/ dated the 10th June, 1953, I have to reply as follows:-

Consequent upon certain proposals submitted to the Minister of Labour, the Honourable A.E.Inkumsah, by the Managing Director, Mr.M.T.Kwodo Mercer, to be incorporated in the draft Ordinance of the proposed Gold Coast Wholesale Establishment to be laid before the Legislative Assembly early next month, I was ordered by the Managing Director to go ahead schedule of the Ordinance to investigate the possibility of establishing stores of the Wholesale Establishment in certain important towns in the country. Having explored similar avenues in the Eastern Region, I was ordered to see what could be done in the Trans/Volta Region, principally in the neighbourhood of Denu and Aflao. The fact must be stated that there has been a temporary slacking in the day to day activities of the Co-operative Wholesale Establishment owing to the transitional period through which the Establishment is passing. Furthermore, on account of some unforeseen obstacle placed in the way of Minister Inkumsah to get going the Commission of Enquiry into the activities of the Co-operative Wholesale Establishment, for which reason the Commission was to open only preliminary investigations for two or three days, the Managing Director of the Co-operative Wholesale Establishment, taking advantage of this dull period, instructed me to proceed to Denu and Aflao for the set business of the exploration.

My home town is only four miles away from Aflao; so I sought permission and obtained one from the Managing Director to cross the French Boundary to visit my sick mother during my official tour.

I left Accra on the 23rd of May and got to my destination at 6.30 p.m. that day. The journey was tiresome one and I went to bed at 10 p.m. My younger brother, the last born of my parents, together with a first cousin of mine with another friend - all staying in my father's house - might have got the car key on my table while I was asleep. Because all I knew was that on awaking from sleep at about 2 a.m. by a strong knock at the door, the report came in that a car which came in from Accra that evening was involved in a terrible accident and two of the occupants lost their lives, they were my younger brother and my first cousin.

I must stress that nobody asked me for the key, If I had a prior knowledge of their going out with the car, my driver was available to drive them out. But I was asleep and as I was occupying my late brother's room, naturally, he was accessible to the car key; and he must have taken it while I was asleep.

I was summoned to the police station the next day to give a statement, which I did.

I ran to Accra the following day and reported the accident to Minister Inkumsah. I went back to Lome the next day only to be detained by the French Police for not informing them of my absence from Lome for two days. I was released the next day the 29th and I returned to Accra on the 30th.

I have the honour to be,
Sir,
Your obedient Servant,

(Sgd) Ajete Bahun
SECRETARY.

ATTACHMENT "K"

GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT LTD.,

ACCRA
3/7/1953.MR. AJETE BAHUN, SECRETARY, CO-OPERATIVE
WHOLESALE ESTABLISHMENT.

I refer to your "strictly confidential" letter of 29th June, 1953.

You ask for "a detailed report on Mr. Bahun, Secretary, Co-operative Wholesale Establishment's activities during your absence in the United Kingdom, particularly so with reference to the car accident."

ACTIVITIES

In my notes for the guidance of Mr. Ajete Bahun, a copy of which I forwarded to you before I recently left for the United Kingdom, you will find attention drawn to the matters which were important. It is to the points covered by the notes that Mr. Bahun's activities should relate.

Now, in his reply of 12th June, to your letter No. 11060 dated 10th June, paragraph 2, Mr. Bahun writes that "I was ordered by the Managing Director to go ahead of schedule of the Ordinance to investigate the possibility of establishing stores of the Wholesale Establishment in certain important towns in the country..... instructed to proceed to Denu and Aflae for the set business of the exploration".

Mr. Bahun has never, at any time, been asked to go on investigation into the possibility of trade expansion. He has certainly never been ordered to go to Trans-Volta, much more cross the French boundary. He took advantage of the absence of the Managing Director and, in complete disregard to duty, went away from Accra without a word to the Permanent Secretary or the Minister. He went away without leaving notes or directives to any one. There was no itinerary, no provisional itinerary, no trace, no record, nothing.

There is no record or report either of the supposed tour of investigation or of any business of exploration done during the critical week May 23rd to May 30th.

Having taken away the Establishment's station wagon for an unauthorised purpose to an unauthorised destination, and having landed himself in a mess on the French territory, Mr. Bahun has made up stories, without the shadow of any evidence, about one thing and another.

It is in this setting that one finds one cash payment voucher being substituted for another; that one finds a strange claim for a week's allowance for business supposedly done outside the Secretary's station.

With regard to the car accident all the facts are not known to me. You and I, of course, have been in touch with the Police in Accra and we both have had their notes that the car has been impounded by the French in Lome. This is confirmed by Mr. Bahun. Further I have addressed a letter to the Chief Police Officer in Lome stating that the Austin Station Wagon No. AD 2328 is the property of the Gold Coast Co-operative Wholesale Establishment, and requesting information about

1. Where/

1. Where the car is,
2. Who was driving it at the time of the accident,
3. Whether it is true that Mr. Ajete Bahun, Secretary of the Gold Coast Co-operative Wholesale Establishment, is wanted for trial in Lome,
4. If so, the offence for which he is going to be tried.

But even without the answers from the Police in Lome, certain points are clear:

1. The Establishment cannot claim on insurance for the damaged car. Mr. Bahun confirms that the driver at the time of the accident was not an employee of the Co-operative Wholesale Establishment.
2. The Co-operative Wholesale Establishment would be unwise to attempt to recover the cost of the car from Mr. Bahun, who is not secured. Nor should he be retained in employment for the purpose of making him liquidate the loss by instalments from his salary.

To sum up, Mr. Bahun, without courtesy, leave, or authority, left the headquarters of the Co-operative Wholesale Establishment for an unauthorised private trip to Lome, where through his lack of care and supervision, AD 2328 got damaged in a fatal accident.

2. The French Police have impounded the car and Mr. Bahun has got away by bail or by paying a deposit. The car is beyond recovery.

3. Mr. Bahun claimed an outstation allowance for work which he did not do, and played about with important documents like cash payment vouchers, while he was in an acting capacity; and took advantage of his position.

4. He made sales and did not pay into the bank promptly. He has paid in to date for all that has been sold and I have seen his statement which should appear in the books. Whether he got the best prices and the best bargains is a trading matter, and opinion can be divided on this.

5. There has been an allegation that 275 sacks of good flour ex the Taurus were disposed of at the beach on the ground that they were bad. The Registrar holds that they were all good flour. I have been going into this and there is evidence that the Registrar's case is not quite right.

On the whole there is a case for dismissal based on 1 and 3, and there also is a case for prosecution arising from 3 in this paragraph.

(Sgd) T.M. Kodwo Mercer
Managing Director.

The Ag. Permanent Secretary,
Ministry of Labour,
Accra.

ATTACHMENT "L"

Name: R.O.R. 577/53.
Address:
Occupation: AJETE BAHUN,
Native of: CO-OP W/SALE ESTABLISHMENT,
SECRETARY, and Deputy to the
Director,
KETA.

In the absence of Mr. Kowdwo Mercer, the Managing Director of the C.W.E. from the Country, I am his accredited Deputy and assume duties as such until his return to the Country. In such a capacity, I have to use my discretion in all administrative matters.

It happened that I went to Aflao, a Trans-Volta region with a view to conducting some sort of survey. I got there on the evening of the 23rd May, that was Saturday. I crossed over to Lome with a view to return to Aflao on Monday the 25th. On the very night of the 23rd my car got smashed up in a nasty accident. I sent in all 8 days over the broken car and return to Accra on the 30th with a hired car which I shared with some one else.

On my return to Accra I ordered my cashier to pay me £6/-/- to cover the travelling expenses, in this case, the hire of the Taxi. He might have misunderstood me and put down a wrong narration. I discovered the error and corrected it myself.

It is pertinent to note that nobody discovered the error for me. I discovered this myself and corrected it. No quarry was sent to me by the Inspectors or anybody, and I had not the slightest knowledge that this case has been taken up with the Police. I corrected the wrong wording on the Voucher on my own accord. If there were any bad intention I would have destroyed the voucher and submitted a new one. I did not do that, I allowed the voucher to remain on record and a new one prepared. The six pounds claimed was for the Taxi fare. I did not mention to anyone not even any of my subordinates that I was going to Tsito. I cannot say where the petrol was bought from. My driver who has not left the employment to far bought the petrol. I do not know the name of the driver I came to Accra with, but I can trace him.

I have strong reasons to believe that Mr. Hewson the Registrar, brought up this matter with the Police. He did this because he bears me a grudge. I was asked to investigate a case of a cheque he signed and which he has denied. I am to appear as a witness against him in September next. Knowing this, he in turn is trying all he can to find fault with me. And the procedure he has adopted is incorrect. The Managing Director and the Liquidators of the C.W.E. are the proper persons to lodge this complaint with the Police. All monies received for sales were all paid to Bank and proper receipts obtained.

(Sgd) Ajete Bahun.
13/7/53.

ATTACHMENT "M"

GOLD COAST CO-OPERATIVE

WHOLESALE ESTABLISHMENT LTD.,
(REGISTERED No. 520)

"x"

P.O.Box 1525,

A C C R A,

Gold Coast.

(Yours.....)

Ref:(Ours.....)

14th July 1953.

.....

The Superintendent of Police,
Cantonments,
Accra.

I am the Managing Director of the Gold Coast
Cooperative Wholesale Establishment.

I hereby state that Mr. Bahun is the Secretary
of the Cooperative Wholesale Establishment and deputises
in my absence. During my absence from the Gold Coast from
May 22nd to June 16th 1953, he acted in my place.

While he acted for the Managing Director
Mr. Bahun had authority (deriving from his office) to
go where, in his discretion, he considered necessary and
advisable in the interest of the business.

Mr. Bahun, like other employees of the
Establishment is entitled to overnight allowance when
he travels on duty. For example, in April this year he
travelled to Tarkwa and he was granted an allowance at
the rate of fifteen shillings a night.

T.M. KODWO MERCER.

MANAGING DIRECTOR.

Attachment "A"SALES AT TAKORADI WHOLESALE - 4TH JULY, 1953

QUANTITY	DESCRIPTION	PRICE OBTAINABLE	AMOUNT
726 Bags	Cement	@ 5/- each	181.10. -
120 Cases	Corned Beef	@ £3 per case	360. -- -
39 Cases	Key Soap	@ £1 per case	39. -- -
58 Cases	Sunlight Soap	@ £1.10/- per case	87. -- -
64 Cases	Life Buoy Soap	@ £2 per case	128. -- -
82 Cartons	Tate Sugar	@ 10/- per ctn.	41. -- -
			<u>£ 836.10. -</u>

7th July, 1953.

Ajete Bahun

 SECRETARY, C.W.E.

ATTACHMENT "B"

P.O.Box 1525,

Accra.

16th July, 1953.

The Managing Director,
Co-Operative W/Sale,
ACCRA.

Dear Sir,

I am bringing to your notice as a good citizen and to explain to you how sales of flour was conducted both in Accra and in Takoradi and the correct amount paid in by the customers. You may please check from your sheet submitted by the managing Secretary if all what I am giving to you is correct. I am writing this to you because I was one of the agents who sold the goods to the said people and the share I had from it.

First of all I saw a sheet submitted to you stating that some bags of flour were sold at one pound ten (30/-) one pound and so forth but I am telling you without fear of intimidation that none of the so called flour were from two pounds fifteen and three pounds and I am even prepared to tell you the truth.

Now you may be aware that the Secretary proceeded to Takoradi to make some sales. At Takoradi we sold the cement 726 bags at 8/- a bag but the sheet submitted to you I saw 5/- a bag which is quite incorrect. Now Sugar was sold in three parts.

- a) 30/-
- b) 20/-
- c) 13/- and they were all 82 cartons

and all these money were taken away by Mr. Bahun.

Apart from all these sales made at Takoradi myself and Harry Chapman were asked to wait and collect some money from certain people. In fact after enquiring from the Cashier the amount paid in by the Secretary I was shocked. Harry Chapman will be my witness that we brought down from Takoradi an amount of £1,071 and where as the Secretary had already taken almost £600 pounds away. According to information so far received, only £818 12/- have been paid into the C.W.E.

For the interest of C.W.E. and as a new Director you may please ask the whereabouts of the remaining £822.

Now shares given to myself Boateng and Harry

Owusu	20
Chapman	16
Boateng	8

You may please ask if all these monies will be debited to C.W.E. accounts. And I am ever prepared to give you more information whenever I am call upon to do so.

NOTES TAKEN AT A MEETING BETWEEN THE MINISTER
OF LABOUR AND LIQUIDATORS OF THE C.W.E. HELD
AT THE MINISTER'S OFFICE ON THURSDAY, 6 TH AUGUST
1953 AT 9.30 A.M.

"A"

Present:

Hon. A.E. Inkumsah, Minister of Labour,
Mr. M.G. Hewson, Registrar of Co-operative Societies,
" E. K. Mercer, Managing Director, C.W.E.,
" J. S. Annan, Principal Asst. Secretary M/Labour,
" E. J. Frenkoglou
" G. Bolleter } Liquidators.

Minister: I did not know that Mr. Hewson had already invited you for a meeting in connection with this liquidation but it just occurred to me after my visit to Tamale that having appointed you as liquidators it would be necessary to have a meeting or two. I do not want to bother you with the history of the C.W.E. Before you were appointed I had a lot of conflicting points of view and so far we have been able to come to a decision that outside people should be appointed as liquidators and upon that decision I nominated you. There is going to be the necessary publication in the Gazette. In connection with the list that is placed before you, I do not want to go back on the history of the C.W.E. but you have heard of certain irregularities in the C.W.E. In view of this the government has decided that the C.W.E. should be reorganised and put on a different basis and in connection with that decision it became necessary that those goods which are not wanted and are deteriorating in the warehouses of the Establishment should be cleared. The only way to do that is by liquidation. We thought it was going to be a sort of paper liquidation whereby the transaction would pass on almost imperceptibly, but the time is so extended that it is necessary that proper liquidation should take place. In connection with that proper liquidation I want to impress this point on your minds, THAT IT IS NOT THE INTENTION OF GOVERNMENT TO DESTROY THE C.W.E. The problem is that the goods which have been ordered and stocked by the C.W.E. are not the lines which people want so they are to be cleared and the C.W.E. reorganised in order that new goods might be ordered. When this liquidation started Mr. Hewson the Registrar, appointed certain gentlemen in his department as liquidators.../

liquidators but the public opinion, and in fact the Cabinet, thought that it was not proper to appoint men under Mr. Hewson. For this reason we thought, and many others subscribed to the view, that as a Registrar if he were to appoint men under himself as liquidators he might directly or indirectly influence them and so it was not feasible. For that reason the Cabinet has decided that independent people who are not government officials and who are under nobody should be appointed, so that I and Mr. Hewson should wash our hands of the liquidation. I am saying this here right now in the presence of Mr. Hewson that you are appointed by the Government and that you would not be influenced by the Registrar. You are going to act independently except that you are going to have some sort of direction as to how to go on and when you come to major issues in connection with either the reduction of staff or such, that decision will not lie with Mr. Hewson, but would be a decision to be taken by the Cabinet. Another important point which arises is that I am afraid Mr. Alema is at present the Trade Officer appointed by the old Government and directly or indirectly people are putting the blame on him for these maladministration or irregularities and so many things, and I think that it is only proper that such a man should not interfere with your work. Recently Mr. Alema was advised to have a survey of the goods but I thought it was really bad. Alema is the very man who ordered the goods which are not wanted by the people, and how can the same man, in the present circumstances, be instructed to survey the goods? It is ridiculous. By stating that you should not be influenced by Mr. Hewson I am not imputing any motive at all but what I mean to say is directly or indirectly, consciously or unconsciously, his department may be blamed for all these irregularities because for a number of years, say three or four years, these irregularities have been going on. I have seen records of Auditors Reports signed by Mr. drawing attention to these irregularities and I personally feel that it should have been the responsibility of the Department of Co-operation to take steps to stop these irregularities which have been going on until the Department of Co-operation has been put under liquidation. I feel that that department is directly or indirectly blamable and that is why in my point of view they should not influence you in the execution of your job. If they knew how to correct these anomalies they should have done so long ago. All that I want to say is that you have been appointed as independent people, you are not under my influence and you are not going to be under the influence of anybody; you are...../

are going to do your work conscientiously to the satisfaction of the Cabinet and nobody else. That is why I want this meeting to take place so that whatever views you have or Mr. Hewson has we might hear them now. I may say that I do not say this with any evil intention. Today the C.W.E. and the Co-operative Department itself of which Mr. Hewson is the Registrar are all under this Ministry and so those days when Mr. Hewson himself took responsibility and gave necessary directions are gone. I am directly responsible for all major issues in connection with the Department of Co-operation itself and the C.W.E. I want to make this clear to you.

I also feel that I have to issue a press release very soon to explain to the public why this liquidation is taking place, why these goods are being cleared, so that we do not have queries here and there. Incidentally here is an agenda prepared by Mr. Hewson which if necessary we might go through to see what he had at the back of his mind in preparing it.

Liquidator: On behalf of the two of us I thank you very much for appointing us to this job and we shall do it as faithfully and efficiently as possible, but before going further I think we should discuss the line of action and have necessary instructions, terms of reference, what are our duties and responsibilities. I want you to give us definite instructions what our duties and responsibilities are and we shall do our best to carry them out.

Minister: We thought that this liquidation or clearing of goods was going to take a very short time and that the new body was going to take over; that is why we appointed the Managing Director Mr. Mercer. It is not the intention of the Government to delay this liquidation that is why you find that the establishment is being liquidated and yet we have the Managing Director. You have got to have it at the back of your minds that we do not want to destroy this Establishment; it is just an effort to clear the goods.

Mr. Hewson: The intention was to have a preliminary discussion on the points involved and have clarification on certain matters. On this question of discussion these would seem to be some of the points which should be decided upon here - first of all the stocks that have to be disposed of, and the stocks that are not to be sold, then there is a time factor, methods of disposal, whether it may be better to dispose of them in lots etc., what offers, the general problem of overhead, letter of instructions to liquidators, terms of payment of liquidators.

Director:

We have covered these grounds in a general way and the only important point is a letter of instructions. In that case will you put up the necessary letter of instructions for my approval as I will be extremely busy. Now it is for the liquidators to fix up a date to go and see the Managing Director who will show them round and any minor details to be filled in by the Managing Director. No member of the staff of C.W.E. is to interfere with your business. No advice is to be sought from anybody, the only man you are going to work in conjunction with is the Managing Director and if there is anything which needs reference either to myself or to Mr. Hewson you can do so. You have got the staff there and the head of the staff is Mr. Mercer. You must not have anything to do with Mr. Alema; he should not come near you. I am sorry to be personal but I must be personal; he should not come near you.

Liquidator:

Why I want to know our terms of reference is to know whether we have to investigate why this item was ordered and so on. I suggest we go round tomorrow to have a look again at the stocks with the stock books and have an idea what stocks there are which would be sold, and that we prepare the goods in small lots of say £2,000 so that everybody can come and bid. My opinion is that anyone who is going to buy these goods must make a profit and I think we must allow a margin of 5% or 10% of the cost and then auction them.

Director:

We are not concerned with clearing of the goods to small traders or to any particular class of traders; we are only concerned with clearing the goods.

Liquidator:

What we mean is that if we make the goods up into lots of say £5,000 etc., not many people could come forward to bid and there would not be keen competition so I think we make several lots costing less so that all can bid and that we get the best possible price.

Managing Director:

I agree that it would be a good thing for the liquidators to look round and ask questions then make up their minds as to what terms of reference would be suitable and we should give them every help and co-operation.

Director:

Then you can decide what time to go round and prepare your notes. Yours is not to determine why this was ordered and so on, yours is to clear the goods.
IT WAS HERE AGREED THAT THE LIQUIDATORS SHOULD PUT UP SUGGESTIONS AFTER INSPECTION OF THE STOCKS AND SUCH SUGGESTIONS TO FORM THE BASIS OF THE LETTER OF INSTRUCTIONS

NOTES OF A MEETING HELD AT THE DEPARTMENT OF CO-OPERATION AIRPORT OFFICE ON WEDNESDAY 12TH AUGUST 1953.

Present: RCS (Hewson), AgDRCS (Naysmith), Co, Consumers (Sparkes) CO, Audit (Dadzie) and Messrs. Frenkoglou and Bolleter (liquidators of C.W.E. Ltd)

The Registrar explained that the purposes of the meeting were:

- i. to explain to the liquidators the position concerning the use of the bank accounts and to regularise the position brought about by the change of liquidators; and
- ii. to discuss with the liquidators in what way the department could help them in carrying out the legal duties imposed on them by virtue of their appointment.

He emphasised that the total responsibility was theirs and that the manner and method of liquidation should be decided by them. He did not wish to intervene except the liquidators were in need of guidance which he, under the terms of the Co-operative Societies Ordinance, was bound to give them. As it was already understood that the liquidators were to dispose of the stock-in-trade he did not propose to discuss the details of its disposal except to point out that they (the liquidators) may not be required to dispose of all stocks. On that point he would endeavour to get a decision.

2. What was obviously of great importance was the keeping of the accounts. It was to discuss this that he had asked for the attendance of his deputy (Mr. Naysmith) and the senior officer (Mr Dadzie) who supervises the CWE accounts under the direction of Mr. Naysmith. At an earlier staff discussion it had been suggested that no particular purpose was now being served by keeping accounts as though the CWE was a going concern. That labour, and the cost of it, might well be saved, and the liquidators better suited, by discontinuing the present system in favour of a simplified form. As, presumably, there would in future be neither purchases nor credit trade it seemed pointless to continue as though there were no changes in the organisation. As, however, the responsibility for the accounts was now that of the liquidators who will necessarily have to account for the final result, it was agreed by the staff that the matter must be discussed with them. He would, therefore, ask the liquidators if they had yet decided on the method by which they were proposing to account for their disposals, and whether they had given any thought to the keeping of the accounts generally.

3. Mr. FRENKOGLOU explained that, after consultation with Mr. Mercer, it had been decided that the stock was to be divided into lots. When these were sold either he or Mr. Bolleter would issue a sales invoice from a book kept strictly under their personal control. The purchaser would then be required to pay to the cashier the agreed price as shown on the sales invoice, and on production of evidence that he had so paid he would be permitted to remove the goods concerned from the wholesale. The sales for the day would be summarised, totalled, and compared with the cashier's receipts in the cash-book. He (Mr. Frenkoglou) was of the opinion that provided the liquidators had properly carried out their part of the transaction the responsibility for proper accounting would lie elsewhere. On its being pointed out that no legal responsibility could possibly lie elsewhere as the liquidators were alone responsible for conducting the business and accounting for all transactions and cash both received and paid, Mr. Frenkoglou averred that if such were the case he would insist upon handling all cash himself and he would dispense with the services of a cashier. He had nothing against any particular cashier, but he would certainly not put himself in the hands of any man who was unknown to him. He ran his own business in the same way and

and/
would insist upon handling this business in a like manner.

4. Mr. NAYSMITH asked if it could now be assumed that the liquidators had already taken over full control of and, therefore, full responsibility for all sales. Mr. FRENKOGLU said that they had not done so. They had, at that stage, agreed with Mr. Mercer on the broad basis of selling, but it had been rather assumed by them that provided he (Mr. Mercer) was satisfied with prices offered he had full authority to sell and they had not interfered. If this was not the case he was of the opinion - in which he was supported by Mr. Bolleter - that the sooner a definite instruction to that effect was issued the better, and that a date should be fixed from which the appointed liquidators should assume full responsibility. When it was pointed out that the legal responsibilities and duties of a liquidator are as laid down in section 56 of the Co-operative Societies Ordinance and that nobody is in a position to grant absolution from the requirements of the law, both Mr. Frenkoglou and Mr. Bolleter expressed the view that they had not been properly informed of the legal position. The impression gained by them was that their duties began and ended with disposing of the stocks to the best advantage. If that was not the position then they would wish to be fully informed in writing of the extent of the duties expected of them. The REGISTRAR said he would endeavour to ensure that such a letter was sent to each liquidator without delay.

5. On the question of the accounts it was taken as agreed that until the liquidators are more aware of what is involved they wished no changes in the present system. They understood that all cheques drawn on the several bank accounts must be authorised and countersigned by one or other of them.

Attachment "C"

P.O.Box 1523,
12th August 1953.

Dear Sir,

As you are fully aware, in order that the affairs of the C.W.E. may go on smoothly, Liquidators were appointed as from the 27th July 1953, the only thing at present being consideration of the details of their letter of instructions regarding their duties.

In the circumstances, I would advise you, in the interest of smooth working of the Liquidators and to save me from further headache, to wash your hands off completely from the duties of the Liquidators, in other words, from the C.W.E.

Yours faithfully,

A.E. Inkumsah
The Minister of Labour.

M.G. HEWSON,
REGISTRAR CO-OPERATION,
ACCRA.

C C:-
MESSRS. FRANKOGLO AND BOLLETER,
LIQUIDATORS,
MANAGING DIRECTOR.

Attachment "D"

P.O. BOX 1523,
12th August 1953.

Dear Sirs,

With further reference to the meeting you had with me in my Ministry dated the 6th instant regarding your terms of reference as Liquidators, I have to advise you that while the details of your letter of instructions are being worked out, I confirm that as Liquidators you are absolutely independent of the Department of Co-operation.

The Executive side of the Liquidation will continue to be the responsibility of the Managing Director and his staff. Thus the C.W.E. Staff will continue to be responsible, for example, for the custody of stocks cash; and the entry of sales records.

Yours faithfully,

The Minister of Labour.

MESSRS. FRANKOGLO AND BOLLETER,
LIQUIDATORS,
THE MANAGING DIRECTOR,
THE REGISTRAR - COOPERATION,
ACCRA.

DRAFT.

Dear Sir,

You have already agreed to act as liquidators of the Gold Coast Co-operative Wholesale Establishment Limited and will find the powers and duties imposed upon you by law outlined in section 56 of Gold Coast Ordinance No. 15 1937, and in such standard works as Buckle on the Companies Acts and Palmer's Precedents of Company Law.

You will accordingly be responsible for the general administration of the affairs of the Gold Coast Co-operative Wholesale Establishment Limited in liquidation including the safe custody of its cash stock in trade, and other assets, and save in so far as indicated in paragraph 5 below, for the realisation of the said stocks and other properties to best advantage.

It is agreed that you will dispose of stocks in individual lots which lots shall be between £1,000 to £5,000 in book value. Such lots will be advertised separately by publication in the press by circulation to co-operative retail consumer stores, and by such other means as you may determine. In your advertisement you will make it plain that you are not bound to accept the highest offer should that offer in your opinion be less than a reasonable price having regard to the current market value.

All sales should be for cash.

You may receive subsequent directions to the effect that some portion of the stock in trade and other properties should be retained in favour of the ultimate creditor of the business. Such stock in trade and properties will not exceed £40,000 when valued at cost, and if such retention is decided upon you will receive instructions as to their identity and treatment.

in fact

Since the Co-operative Wholesale Establishment is in liquidation all employees thereof must consider themselves as liable to instant dismissal. It is not desired however that you should terminate any employee without prior reference. As a preliminary you will submit a memorandum of recommendations in that regard.

At the conclusion of your office, and at such other times, as may be required, you will present a statements of accounts supported by documentary evidence and including all transactions affecting the business. Your final accounts will be the subject of audit.

You will be required to enter into a bond in the terms usual to a liquidation of this nature for the proper discharge of your duties. You will arrange with the Registrar of Co-operative Societies for such a bond to be executed.

ESSRS. E. J. FRENKOGLOU.
G BOLLITER.

In consideration/

In consideration of the above you will be granted a remuneration based on the monies received for sales of stocks; this was be on the following scale:-

	3%	each on the first	£1,000	realised.		
2 $\frac{1}{2}$ %	"	"	"	next	£1,500	"
2%	"	"	"	next	£2,500	"
1 $\frac{1}{2}$ %	"	"	"	"	£5,000	"
1%	"	"	"	"	£90,000	"
$\frac{1}{2}$ %	"	"	"	any subsequent	realisations	

In addition as from 1st August you will each be paid an allowance of £13 per month in recognition of your out of pocket expenses as to transport. This allowance will be payable for the duration of the liquidation or for a period of four months whichever shall be the shorter.

Your expenses and remuneration shall constitute a first charge on the business.

Yours faithfully,

M.G. HEWSON.

REGISTRAR OF CO-OPERATIVE SOCIETIES.

MGH/NMT.

Shortly after the above was handed to the liquidators making it clear that it was only a draft but the official instructions were likely to be on similar lines.

Gold Coast Co-op W/sale Establishment
P. O. Box 1525,
Accra.

.GBO/1

27th August, 1953.

The Honourable,
Minister of Labour,
Accra.

Ref. Letter CW-16 of Mr. M.G. Hewson,
of the 19th Aug. 1953 (re ACCOUNTS)

Dear Sir,

We should like to refer to the abovementioned letter of the Department of Co-operation of which, we presume, you have received a copy, as well as the draft letter of instructions sent to us by Mr. Hewson.

As regards points a), b) and c) mentioned in the Department's letter of the 19th inst, we wish to advise you that these are being complied with to our full satisfaction.

On the subject of STOCKS, however, we must mention that we have not taken over and cannot take over the stocks-in trade. We consider ourselves only responsible for the stocks that we are actually selling and we would emphasize that every lot being sold is scrutinized by us and physically checked. The remaining responsibility, i.e. the question whether the stocks shown in the stockbinders will balance or not when we have finished selling, remains one of the Wholesalekeeper in charge. We understand that the last stocktaking was carried out on the 7th August 1953 and we presume that everything was then verified and balanced. Consequently we consider that there will be no discrepancies of importance at the end of our operations, except such small adjustments of overs and shortages as are normal in such an organisation.

Remuneration:

We have duly taken note of the proposal put forward by the Department. After having given our careful consideration and having consulted various people, viz. Banks, Chartered Accountants etc. on this subject, we feel that the suggested terms are not satisfactory to us. Taking into account all the advice given to us, we feel that we should be paid at least 1/3rd of the usual commissions charged by Licensed Auctioneers, which is 7½%. As, however, in our opinion, this liquidation will take 4 months or over to be completed, we propose that we should be given £1500 (One thousand five hundred pounds) each, or 2½% Commission, whichever is the higher. We wish to draw your attention to the fact that the abovementioned amount may look high in point of view of Salary, but on the other hand this appointment is for a limited period only and Salary comparison should not apply. You will agree that we have to devote practically all of our time to this job and considering the losses: our own private business will suffer due to our absence (besides of the fact that we are incurring extra expenses by having been compelled to engage relief-personnel to carry on our own enterprises in a make-shift manner) the sum of £1500 each is not excessive. Furthermore our experience of the market conditions will positively be of beneficial interest as regards prices obtained for stocks, a thing which would have been very much different, had you employed licensed Auctioneers.

We therefore trust that you will make a just decision which will take into consideration all the facts mentioned above.

The LIQUIDATORS C.W.E. to the Hon.Minister of Labour

Letter of Instructions: (remarks on the draft submitted by
Mr. Hewson)

As regards the first paragraph of the draft we must emphasize that we are lay-men at law and that we simply consider our duty and responsibility to be the efficient and straight forward clearance of the accumulated old and to some extent deteriorated stocks - and no more.

Concerning the method of clearing the old stocks we like to point out that the method now employed by us seems to meet with the approval of the small merchants. As, however, lately we had cases of people bidding during Auctions who did not take up their lots in the end, where necessary we have adopted the method of private sales, it being in our opinion in the best interest of the Co-operative Wholesale Establishment.

As regards the reduction of staff it has been agreed between you and ourselves that in this respect we have to be guided by the advice of the Managing Director, Mr. Mercer.

A question of a Bond does not in our opinion arise, since neither are stocks in our immediate custody, nor will cash be handed by ourselves. We are only conducting the auction as such and in the second instance we are satisfying ourselves that monies bid are promptly paid to the cashier before the goods are released. Furthermore we are also making sure that the cashier always pays over his monies to the bank without delay.

Looking forward to receive the final instructions, we are dear Sir,

Your obedient servants
THE LIQUIDATORS CO-OP WHOLESALE EST.

(Sgd.) J. Frenkoglou (Sgd.) G. Bolleter

THE GOLD COAST CO-OPERATIVE WHOLESALE ESTABLISHMENT
L I M I T E D

R E P O R T

on

THE LIQUIDATION OF STOCKS-IN-TRADE

covering the period
AUGUST 8th, 1953 to
DECEMBER 10th, 1953

submitted by

THE JOINT LIQUIDATORS

E.J. Frenkoglou, Esq. and
Gottfried Bolleter, Esq.

ORIGINAL to The Hon. Minister of Labour
DUPLICATE to R.C.S.
TRIPLICATE to Commission of Enquiry C.W.E.
QUADRUPL. Liquidators

We beg to submit below our report on the C.W.E. liquidation entrusted to us in July, 1953.

APPOINTMENT: E.J.FRENKOGLU Towards the middle of July, Mr. E.J.Frenkoglou, was asked by Mr. Hewson the Registrar of Co-operative Societies, if he was prepared to undertake to act as a liquidator of the C.W.E. He agreed to this proposal and a few days later his appointment with that of Mr. Bolleter's was published in the Gazette. At the time Mr. Hewson visited Mr. Frenkoglou he did not specifically mention what his duties as a liquidator could be, but later he gathered that this would mainly consist of selling the goods of the C.W.E. at the Accra Airport, on which he had previously carried out a valuation in May last.

M. BOLLETER. Mr. Bolleter was approached by a deputy of the Minister of Labour towards the end of July 1953, and was told that his name had been mentioned to the Minister and that he might be a person in a position to act as a liquidator of the C.W.E. Mr. Bolleter did not know Mr. Inkumah previously. He was told that the duties of a liquidator would be to sell the stocks-in-trade of the C.W.E. and this work would have to be done as soon as possible to permit the Minister to submit certain details to the November Legislative Assembly. Mr. Bolleter promised to act as a liquidator under certain conditions, which were that there would have to be another person as Joint Liquidator. He heard nothing more from the Minister of Labour after this first contact but found his appointment gazetted on July 28th, 1953, as Joint Liquidator with Mr. Frenkoglou. Immediately after the appearance of the Gazette Notice to this effect (on the first Tuesday thereafter) Mr. Bolleter was visited by Mr. Hewson who asked him to be present at the Ministry of Labour for a first meeting on one of the next days.

Meeting: The following persons were present -

- The Hon. Inkumah, Minister of Labour
- Mr. Jones, Department of Labour
- " Hewson, Registrar of Co-operative Societies
- " Mercer, Managing Director, C.W.E.
- Mr. Naysmith, Auditor, Department of Co-operation
- " Dadzie, " " "

The Minister opened the meeting by giving a short history of the C.W.E. affairs. He mentioned that most of the stocks-in-trade were deteriorating and that it was advisable that the goods should be disposed off with the least possible delay. He also pointed out in very certain terms that he wished that the liquidators should carry out their duties without any interference whatsoever from the Department of Co-operation. After the Minister, Mr. Hewson addressed the meeting and submitted a short list of points to be discussed, it being as follows:-

1. (a) Quantity of Stocks to be disposed
 - (b) Time factor
 - (c) Method of disposal
2. Question of Reduction of Overheads
3. (a) Attendance of the Liquidators
 - (b) Terms of payment of the Liquidators
4. Letter of Instruction

Item 1(a) of the Agenda:

Mr. Hewson suggested that a portion of the stocks-in-trade should be retained for the final creditors but this portion should not exceed £40,000. No final decision on this point was made, however, during this first meeting.

Item 1(b) of the Agenda:

Both Mr. Frenkoglou and Mr. Bolleter mentioned that the Cocoa Season would probably be a better time for the disposal of the stocks-in-trade than the months of August and September which are known to be the worst of the year as far as business is concerned. They, however, mentioned that perishable goods like provisions of all kinds should be cleared at once and as regards the other articles in stocks consideration would have to be given to the fact that in every sector (textiles, Haberdashery and hardware) the overseas markets were on a recess and that it might perhaps be a gamble to wait for the season, when cheaper goods were to be expected on the local markets, and more particularly so, since it appeared that most of the articles stocked by the C.W.E. were unsuitable for the local trade. Weighing up the above points against each other, the Minister decided there and then that the sale of the stocks-in-trade had to be started with the least possible delay, since the Government was anxious to see the whole C.W.E. affairs settled. He also stressed the point that he wished to be in possession of the results as quickly as possible.

Item 1(c) of the Agenda:

It was unanimously adopted that portions of the goods should be put up in lots valuing £1,000 to £5,000 at cost. Bids for such lots were to be obtained in public auctions or by Newspaper advertisements. It was also agreed that as much publicity as possible should be given to the fact that the stocks-in-trade of the C.W.E. were to be liquidated before the actual sales would start.

Item 2 of the Agenda:

Both the Minister and Mr. Hewson emphasized that the Over-heads should be reduced as much as possible and that the Liquidators were empowered to dismiss staff where they thought fit.

Item 3(a) of the Agenda:

The Liquidators agreed to attend daily until the liquidation was completed.

Item 3(b) of the Agenda:

No decision was taken in this respect and Mr. Hewson on one side and we on the other side would make further enquiries in this respect.

Item 4 of the Agenda:

The Minister informed us that a letter of instruction would be prepared by the Registrar of Co-operative Societies in consultation with the Minister after further enquiries had been made as regards remuneration.

After this the meeting was closed.

The day following the meeting at the Ministry of Labour we both went to the Airport and instructed the Managing Director to make the necessary arrangements that publicity was given to the coming Clearance Sales. Subsequently he arranged for a Press release through the Department of Information. This information was also carried by all papers of the local press to our knowledge. Besides, there was also a Radio announcement to this effect. The same measures were also adopted in Kumasi later on.

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During this visit we asked the Managing Director regarding the stock position. He informed us that no accurate figures were available as in fact the last stock-taking had taken place on the 27th of June, 1953, for the Financial Year's Closing. There were no handling-over notes submitted to us by the previous liquidators, Messrs. Sam and Sparkes and this was a deplorable state of affairs. Since these two gentlemen must have been aware for quite some time that new liquidators were to take over from them, it should have been within their duties to arrange for a stock-taking per the end of July, 1953, and to submit their report on general affairs as well as business transactions effected by them since June 27th, 1953. Nothing of the sort was done, however, at later stage this deficiency was severely felt. We were in vain asking for stock figures as at the end of June or the end of July but to our great surprise none were available. Under these circumstances we felt compelled to refuse to take stock and therefore suggested then to the Minister that the best solution would be, to leave the management of C.W.E. then in charge of the administrative side of the business. We also informed Mr. Hewson of our position in this matter but we were left without immediate instructions from him. Therefore we started selling the first lots prepared by the management on August 11th, 1953. On August the 24th, we received a draft letter from Mr. Hewson (a copy of which is attached as Appendix 1) in which he outlined various points bearing on the subject of instructions, remuneration etc.

We must also mention that only at this stage, during a meeting at the Airport Office at which Messrs. Hewson, Navsmith, Sparkes, Dadzie and ourselves were present and at which the officers of the Department of Co-operation were making recommendations as regards the keeping of accounts in connection with the liquidation, Mr. Hewson handed over to each of us a copy of the Co-operative Ordinance, drawing our attention to para.56 of it. We have to state here that this procedure in our opinion was positively contrary to any established principles of employment as our attention should have been drawn to this law at the time we were invited to act as liquidators. Had these conditions been made known to us at the time we were first interviewed we would have refused the job.

From the various discussions we had with the Minister and the Registrar of Co-operative Societies, we deduced that their relations were anything but cordial and consequently we were given contradictory instructions. During one of the interviews the Minister told us openly that the reason for the bad state of co-operation between himself and the R.C.S. was due to the fact that the R.C.S. had an ill-feeling against the Minister because it was he, who had asked for the Commission of Enquiry, but on the other hand the Minister indicated that he had no confidence in the R.C.S. since the latter seemed to be involved in certain irregular transactions, which have since come before the Commission. Under these circumstances we found that the only logical thing for us to do would be to accept the instructions of the Minister, who, after all, was superior of the two. For this reason we indicated in our letter of August 27th that we considered ourselves only responsible for such stocks that were prepared for sale and sold by us.

With our letter of August 27th we wrote to the Minister of Labour with copy to the R.C.S. informing him of our point of view and subsequently we had a lengthy discussion with the Minister during which we confirmed to him again under which conditions we were prepared to continue with the liquidation. The conditions as laid down by us were as follows:-

1. We asked for a remuneration of £1,500 each, flat rate or $2\frac{1}{2}\%$ commission each on the sales, whichever was the higher, plus a car allowance of £15 per month while performing our duties.
2. The C.W.E. Management would have to continue to exercise control of C.W.E. Assets and stock-in-trade.

3. We would authorise all sales of lots prepared by the C.W.E. Management at the best prices obtainable.
4. We would effect sales in whatever manner we considered the best prices were obtainable.
5. We would ensure that the prices authorised by us would be collected in cash and paid into the Liquidators account at the Co-operative Bank, Accra.

The Minister again accepted these proposals in full and confirmed verbally that in consultation with the R.C.S. final instructions along these lines would be given to us. As no instructions to the contrary have been forwarded to us since, we consider ourselves only responsible as per conditions outlined above.

On these conditions we continued selling until the end of August when two plain-cloth C.I.D. men called on us at the Airport Office and made certain enquiries regarding our appointments and asked us to produce Auctioneers licences. Upon investigations at the C.I.D. we learnt that local Auctioneers had submitted a complaint to the Police that we were selling goods by public auction without licences but when we informed Mr. Strike of the C.I.D. that our appointments as liquidators had been gazetted on August 1st, 1953, and we were authorised by the Minister of Labour to sell the goods by any means we thought fit, this enquiry was discontinued. At the same time certain press statement appeared and the town was full of rumours implying that we did not conduct the affairs properly. Upon this we went to see the Minister and told him that we were dissatisfied with the results of the liquidation so far and that considering the talk which was going in town we did not feel in a position to carry on with the liquidation as our good names were in peril. The Minister, however, in very clear terms assured us that he was absolutely satisfied with our conduct and that we should not mind the rumours and should continue with our work, as the Government would be gravely embarrassed if we withdrew. He also said that it was only to be expected that such rumours were to be put into circulation by those parties which were highly involved with regard to the past affairs of the C.W.E. We therefore continued the liquidation along the lines which had earlier met with his approval. Considering the above, we are glad that the Commission of Enquiry has decided to go into the matters of the liquidation as well, as this will give an opportunity of explaining our actions and their results.

Method of Sales in Accra:

The procedure adopted from the very beginning was for the Managing Director and his staff to prepare lots on one day, which were put up for public auction the next. We left it to the discretion of the Managing Director to arrange the lots as he thought fit. A statement of each lot showing quantities, description and cost prices of the goods was typed. The contents of these statements were read to the public and the total value of goods at cost was also mentioned. After that the bidding was allowed to start and the lots were always knocked down to the highest bidder. This enabled us to check the outgoing goods personally and gave the opportunity to the buyers to see what was up for sale. Every auction day from 6 - 12 lots were auctioned. After the auction was over the successful bidder was usually given a note by a liquidator to the cashier to accept payment of such and such amount against the specified lot. With the receipt issued by the Cashier the buyer went to the wholesale-keeper who released the goods shown on the lots sheet to him. In cases where the purchaser demanded it, Waybills were made by the Wholesale-keeper, but in most of the cases this was dispensed with since it was impractical, considering the great quantities of goods outgoing. In many instances it was observed that the goods were sold to a second party on the spot by the successful bidder and it even led to retail trading being conducted outside the Wholesale, so that we saw ourselves forced to discourage this,

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as it was hampering the proper conduct of the business.

Altogether 172 lots were put up for sale, realizing £36,700. (Book-cost Value \$112,000). Considering the bad state of the goods sold, the inopportune time of year (shortages of liquid money) and the condition that sales were only to be made against cash, the result is fair. Had the goods been held back until the beginning of the Cocoa Season, some of them might have realized better prices but on the other hand others might have fetched much less. At the moment of writing this report, the General Trade is so bad that it is doubtful whether the above expressed opinion of better prices for some goods might have materialized.

Condition of Stocks

The condition of the goods in general was very bad indeed, and this became the more apparent the further we got on with the liquidation.

Below we give in summary form our findings on the condition of some of the stocks :-

Textiles: Stock in upstairs store, damaged by rain water, stained, damaged by vermin; Bales stock also damaged.

Provisions: Sugar - Melting
Salmon - Blown to a large extent
Pilchards - "
Corned Beef - "
Jams - Useless
Soft drinks - Bad
Beer - Flaky
Milk - Blown disintegrating

Hardware: Cement - All bad and caked
Bedsteads - Completely rusty
Knives }
Chains } - " "
Traps } - "
Trunks }
Enamel Ware - Majority chipped and badly damaged, rusty
Alluminium Ware - Dented, partly seawater damaged
Stoves - Incomplete, parts missing
Lime - Drums burst, covers missing
Bicycles - Rusty, parts missing, frames bent

Drugs: Generally 100% valueless and deteriorated

Haberdashery: Majority of stocks aged and in very dirty condition, stained, Fujette Shirts spotty and pulpy.

Shoes - unequal sizes, leather mouldy and hard.

Textiles were faded, stained by rain or seawater, soiled, entire bales were attacked by whiteants, steelbands of bales were rusted through affecting every single piece of the contents, woollens were moth eaten (especially Blazer-cloth and woollen suitings), Provisions in general were the worst of the lot and in many cases dangerous for human consumption; Hardwares also were very bad and we are under the impression that the stocks which were sold by us were the residue of much bigger original arrivals, in other words the chipped Enamel Ware and the dented Alluminium Pots etc. remained here in the Wholesale because the Societies were reluctant to take them. We also presume that the goods included damaged goods for which originally Lloyds Surveys Claims were made, but which had not been cleared at reduced prices; many of the goods were 3 or 4 years old, which in the case of Provisions and Soap was absolutely disastrous.

For the bad state of the goods we feel inclined to blame the unsatisfactory storage facilities. Flour for instance had to be stored in a room without ventilation of any kind and directly underneath a leaking tar felt roof. We could convince ourselves personally, that flour got attacked by weevil and whiteants within less than 5 weeks. The roof of the big wholesale is also leaking in many places and the goods must have been affected by rainwater during rainy weather. We understood that the P.W.D. had been repeatedly asked to re-roof the buildings but this was never done.

The sales sheets do not mention the state of the goods sold and one cannot give a fair judgement by comparing the Cost prices with the Selling prices obtained.

Last, but not least, we must mention that a considerable portion of the stocks we sold were returned goods from Societies which were in a very bad condition indeed, and had obviously been in the Societies stores for years. These returned goods considerably aggravated the position and influenced the general trend of low bidding.

We also observed that most of the articles were goods which were not at all wanted by the general public and had obviously been refused earlier by Societies. We had the impression that the goods had been ordered at random and without any careful investigation of local market conditions. Furthermore there were certain lines of which the stocks were improporcionately high and therefore buyers were reluctant to take up such large quantities of singular lines unless they could obtain them at ridiculously low prices, particularly since through low bidding during previous auctions certain ceiling prices were already established.

In a few instances during Auction Sales, bidders to whom lots had been knocked down, eventually refused to pay the price and we were obliged to sell the same lots at much lower prices later on. On some occasions it also happened that the bidding was so incredibly low for some lots that we saw ourselves forced to encounter the organized low-bidding rings by discontinuing the auction and having the same lots re-auctioned later on.

General:

We regret that the final accounts and this report are submitted with a certain delay. This is however entirely due to the action taken by the Commission of Enquiry by impounding the books of the establishment. Here again we have to register a protest, in as much as neither of us was consulted nor informed before the books were taken away. Had we been informed of this impending action, we could have been present when the books and records were collected and we could have pointed out such books etc. immediately connected with the liquidation, so that they could have been returned to us without any delay. As it happened,

however, it took more than a month for certain records to be returned and during most of this time we were sitting idle, but nevertheless had to attend to our duties at the Airport daily. We must put on record that amongst the books which were taken away to the Commission were even the most essential records like cash books, receipt books and binders so that we could not even check whether all monies of the recent sales had been paid to the cashier. This forced us to write a letter of protest to the Minister of Labour.

The posting of the binders is not completed yet, but our observations lead us to believe that a certain amount of shortages will undoubtedly be found upon finalisation, due to stealing from the premises by buyers or bystanders who moved around rather uncontrollably in the premises. We feel, however, that if the final shortage will not exceed 1 - 2% of the total value of the stock, no blame should be attached on the wholesale personnel, as the conditions under which we were selling were very much abnormal, and it would be difficult to hold anybody responsible for such discrepancies.

On the whole, the sales were conducted in an orderly manner and the staff did their best to assist under the abnormal circumstances. We regret to say that a few days after our return from Kumasi we were called by the C.I.D. and were asked to give statements in connection with the liquidation. We asked the officers conducting the enquiry whether they had any charges against us, but we were told that this was not the case. However, later on we were given to understand that a complaint had in fact been lodged against us by the R.C.S. himself, the very person who appointed us. We strongly protest and record our resentment to this in this report. We find it very unfair that we should have been called to the police at that stage, when the bulk of the goods had been sold already. If anything at all, one might at least have awaited our final report on the liquidation before taking such an action.

Kumasi:

On the 10th of September, 1953, we informed the Minister that the sale of the Accra stocks would soon be completed and pending the return of goods from Societies we asked the Minister for further instructions. With his reply of September 18th, 1953, he confirmed his verbal instruction of September 11th, 1953, that we should proceed to Kumasi with the least possible delay in order to liquidate the stocks up there. He had indicated to us that the Cabinet had decided that the liquidation should continue 'full blast'. It was thought that while the liquidators were away in Kumasi the Accra records which were then rather in arrears could be brought up to date and the returned goods from Societies be properly checked into the Wholesale pending our return. It was also agreed that stock should be taken up there by us, so as to enable Mr. Addy, the Officer-in-Charge in Kumasi to proceed to Accra, in order to supervise the classification of goods coming back from the societies. The Minister also suggested that the Managing Secretary with the experienced staff should accompany us in order to give us the best possible assistance. Before going to Kumasi we requested the R.C.S. to inform his officers in Kumasi to make the necessary arrangements for advertising in the local press the forthcoming Liquidation Sales. This was duly done. We proceeded to Kumasi on Monday, September 13th, 1953, and commenced taking stocks on the 14th. The stock-taking was completed on the 17th and the first Auction Sales took place on the 18th (Friday) as advertised.

Condition of Stocks:

We found the condition of the Kumasi stocks to be worse than the condition of those in Accra. Especially the Provisions were beyond description and we seriously considered calling in the Medical Officer of Health in order to have the Provisions certified as unfit for human consumption. We however did not do so, as we hoped by mixing these goods with better lines, at least an infinitesimal part of their value could be realized for the Government.

There was a considerable quantity badly stacked iron sheets in stock but we found it impossible when taking stock, to ascertain the exact number of bundles or to check the contents of each bundle. The latter is important because it later on turned out that the bulk of the bundles did not contain 20 sheets as they should. As regards the number of bundles considered in the stock taking, it was unanimously agreed, that the figures given from the office records should be taken in good faith, but that the issues of bundles during the forthcoming sales should be strictly checked, in order to verify the figure given by the Wholesale-keeper. The number of bundles so taken into stock was 1744. The Hardwares, particularly Enamelware and Aluminium ware were in a considerably worse state than those of Accra. All these were stored unpacked from the cases and here it was possible to verify at a glance that most of the goods were damaged, and obviously constituted the residu of the **original** arrivals. The Textiles contained a very large proportion of returns from Societies. These were invariably dirty, stained, insect damaged and torn, as verified by some of the officers of the Department of Co-operation. There were also over 200 cases of Imported Beer, nearly 2 years old the cases of which were damaged by whiteants. This became only apparent when the stock was removed and it was found that the bottoms dropped out of the cases.

As soon as we started selling we noticed that Kumasi Traders had the intention to monopolize the sale of the C.W.E. goods, unfortunately not in favour of the C.W.E. We had encountered all sorts of obstacles and difficulties during the auctions in Accra, but what we met in Kumasi really was worse. The first lots had to be knocked down at ridiculously low bids which was entirely due to the fact that the buyers had formed a ring. When we tried to discontinue the auction we were threatened and urged by the crowd to sell to the highest bidder, no matter how low the bid was. Unfortunately these first auctions at which very low bids were made turned out to influence the whole sales in an adverse manner. The auction goods were put up for sale outside the Kumasi C.W.E. premises by the buyers at ridiculously low prices thereby establishing standard prices for practically all items in stock, making it almost impossible to obtain relatively better prices for the same goods later on.

We also had representations made by various Kumasi personalities whose names we unfortunately did not note that we should not dare to sell to other people than to Ashantis. This argument we, however, refuted and adopted the next best method of 'individual sales'. Lots were prepared and several buyers were asked to submit their offers individually. Those lots were then sold to the highest bidder. This method positively brought some improved results.

When things were going smoothly, Mr. Frenkoglou, in the night of September 22nd (midnight) received an urgent message through the Police that he should report with the least possible delay to the Ridge Hospital Accra, because of his wife's serious condition. Mr. Frenkoglou, on receipt of this urgent message contacted Mr. Bolleter in the Government transit quarters, and in a meeting held there, we decided that the best to do under these circumstances would be to delegate powers to the then available senior officer who happened to be there to sell with the assistance of Mr. Boateng, of the Hardware and Provisions, and that Mr. Bolleter would continue with the sale of the Textiles and Haberdashery. Mr. Bolleter implemented this decision the following morning and instructed the Managing Secretary to sell the Hardware and Provisions in the same manner as described above, i.e. to those buyers offering the best **prices**. As in our opinion the provisions were in such a bad condition that they would hardly have fetched anything at all, we instructed him to sell these bad lines together with better ones (mixed lots).

Mr. Bahun called the attention of Mr. Bolleter on various occasions to the unsatisfactory offers received from the buyers. Even the iron sheets which normally are good, line were most

disappointing. Immediately after the first quantities of this commodity had been delivered, the buyers returned, complaining that all the bundles did not contain 20 sheets but mostly 15 or 16 sheets only, a fact that could not have been ascertained during the stock-taking. This fact, however, was verified by Mr. Bolleter who counted the contents of many bundles in stock and found them to be deficient in the majority of cases as alleged by the buyers. We attribute this to the fact that these iron sheets had been carted by road from Takoradi and must have been tampered with by the drivers. Most of the bundles showed very loose single steel bands and it really looked as if the bundles had been tampered with. It is a very difficult thing for us to say who should be held responsible for these shortages. Apart from the shortages in each bundle, the bundles appeared badly knocked about in transit and were damaged or cut on the sides. These two facts coupled together reduced to a great extent the selling value of these sheets. After it was found that the buyers were reluctant to buy iron sheets at all because they were afraid of the shortages, Mr. Bahun was told to sell them at whatever price he could obtain. The final accounts of the Hardware sales also revealed that instead of the 1744 bundles in stock as quoted by Mr. Addy, the Manager and his Wholesale-keeper during stock-taking, there were actually only 1440 bundles. We reckon that the majority of this shortage was due to deficiency within the bundles but it would appear to us that approximately 100 bundles were missing altogether.

Mr. Frenkoglou took up duties again on Tuesday, September 29th. The two of us continued with the sale of Textiles and Haberdashery and the Managing Secretary was left to finish with the Hardwares. By Thursday we had concluded the sales, except parts of Hardware and Provisions. On Friday we sorted out our records and asked the Managing Secretary to submit his return for his sales. He informed us that all monies received had been paid to the Bank by him but that he was not in a position to submit a detailed statement that day. We therefore left Friday night for Accra after having instructed the staff to deliver the balance of the goods to the purchasers and to pay any amount still outstanding to the Bank.

Mr. Bahun was instructed to prepare his summary of sales of Hardware and Provisions immediately upon his return to Accra. While Mr. Bahun prepared his sales for Kumasi we took the opportunity to attend to our own businesses for a few days. On the 9th of October we were called to give evidence before the Commission of Enquiry. On the 11th October Mr. Frenkoglou and later Mr. Bolleter were called to the C.I.D. to give statements regarding our appointments and the organisation of the liquidation. On Wednesday the 7th, we also had gone to the Airport in order to give instructions to the staff with regard to the completion of the accounts. It was then that we discovered that all the books had been impounded by the Commission and we found that we were absolutely unable to compile anything. A few days later we wrote to the Minister of Labour pointing out to him the difficulties and danger caused by the absence of all records. Only during the latter part of October and the beginning of November did we get some of the books back. That week-end (10th October) we were also unable to trace Mr. Bahun, who apparently was busy at the Commission and the following week he was absent in Kumasi, as the Commission of Enquiry had moved up there. It was therefore only at the end of the following week that we finally obtained the figures for the Kumasi Hardware and Provisions Sales.

Conclusion

The results of the Liquidation so far are as follows :-

	<u>Value at book cost</u>	<u>Selling price obtained</u>	
<u>Accra</u>	£ 112,160	£ 36725	32,7%
<u>Kumasi</u>	£ 66,820	£ 17651	26,5%
	£ 178,980	£ 54376	30,4%

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With our long commercial experience as managers of local firms, we have to say that never during our activities have we seen such an accumulation of bad stocks in one place. There was complete disregard for the stocks and consequently the process of deterioration was much faster. We did all in our power to fetch the best possible prices and the result in our opinion is not a bad one considering all the facts given above.

We understand that in the Balance Sheets of the past few years no depreciations of any kind were made on stock-in-trade. For this we blame both the Committee of the C.W.E. and the Auditors of the Department of Co-operation. The Committee must have known about the bad state of stocks and they themselves, even granting that they were not businessmen of experience, should have done something about depreciation and clearance of bad stocks at an early date. That the Auditors, however, did not insist upon depreciations we simply cannot understand. It should have been their paramount duty to suggest such depreciations, which had it been done would have resulted in the goods having been sold long ago and at least, the remaining stocks would have been in the books at cost prices much nearer to their actual value. Considering that a great proportion of the goods that were in stock of the C.W.E. could have been replaced at more or less half of their original value, because they had been bought at peak-prices during the Korean Crisis, the actual value of the stocks in our opinion was not more than about £95 - 100,000. This value, however, stands for good newly arrived and in perfect condition. A further depreciation of at least 30% to allow for the deteriorated and deteriorating condition of most of the stocks would have been necessary, if sound commercial principles had been applied. These depreciations were obviously not made, and the books of the C.W.E. at the time of our taking over did not in our opinion present a true picture of the position. It appears to us that the depreciations were not made because the responsible people were afraid of the consequences such an action would have had in the light of the adversity of various reports already in the possession of the Government. This was however a very unbusinesslike behaviour and was tantamount to 'burying the head in the sand' in the face of danger.

The soundest principle of every successful businessman is, that the first loss is the smallest. The general principle of most local trading firms is to sell their goods within 6 months of arrival. The indenting is geared to this principle and stocks are usually equal to 4 months sales. That means that regular quantities of supplies are coming monthly, which assures that the goods are always fresh and if there are price fluctuations they will obviously also be in line in this respect. From what we could see, the indenting of the C.W.E. was very poor. Instead of ordering goods which were demanded by the societies, they ordered goods of any kind on a trial and error basis, and they made the mistake of ordering far in excess of their requirements. Articles such as jewellery, shirts, pyjamas, ties etc. should have had no place in the C.W.E. inventory.

The result of the Liquidation in Accra is better than that of Kumasi. This we attribute to the fact that the stocks in Kumasi were in considerably worse state than those of Accra. Furthermore, Accra is also a city which has a certain regular business throughout the year. Kumasi, is subject to seasonal business and the off-season months and particularly August and September are really hopeless. The business in Kumasi was practically at a standstill when we got there and the shortage of money was quite apparent. This applied to all the firms in general and not only to the C.W.E. The total result might have been slightly better, had one awaited the beginning of the cocoa season but this might have been set off again by higher expenses. Mr. Bolleter knows from personal experience that the losses on a business in liquidation are very great and the firm which he helped to liquidate by way of normal sale to creditors, could only realize 40% on the stocks-in-trade and 50% of debtors. Even so the new company who took over later on found that they were losing on the stocks they had taken over. The liquidated company, after trading in West Africa for 3 years could only recover about

0% of their original investment of nearly £100,000. Mr. Frenkoglou who is trading in a small way, on one order of Khaki of 130,000 yards cost over £7,000 in 1951/53. Had he not had the courage to face this loss then, which was due to the general drop of prices after Korea, he would have lost more still. During that time, a big firm sold Khaki costing them 55/- per piece at 27/- per piece. Nothing of the sort was ever done by the C.W.E.

One of the main reasons, for the low prices paid, was the fact that the buying public knew about the appalling conditions in the C.W.E. and therefore had only one idea, which was, to buy goods only, if real bargains were possible.

We have also to bring to the attention of the Minister that sometime in November, Mr. Frenkoglou's driver was contacted by a certain Mr. Appiah, envoy of Mr. Alema. Mr. Frenkoglou's driver was promised £200 reward if he could steal his employers brief case containing all liquidation files and records. Mr. Frenkoglou reported the matter to the Chairman of the Commission of Enquiry through Mr. Larsey and later on went to the C.I.D. to report the matter. A day after reporting the case to the C.I.D. the Superintendent of Police sent a plain cloth policeman, who after having waited for hours outside Mr. Frenkoglou's store, followed Mr. Appiah who had come to take his driver in a taxi to Mr. Alema's house and we have established the truth of this complaint. We left the matter at that, but it is in the Police records that such a thing in fact did happen and if the Commission of Enquiry thinks this matter to be important we are prepared to give any further evidence necessary.

We are pleased to mention here that we had the full and loyal co-operation of the C.W.E. staff, so that the liquidation went comparatively smoothly. We, however, feel that we were rather harshly treated from other quarters and there is no shadow of doubt that everybody responsible for the terrible mess in the C.W.E. was trying hard to shift the responsibility for the bad results on the liquidators, trying to make them the scape goats for the losses the Government unavoidably has to shoulder. We are glad that the Commission of Enquiry has included the liquidation in their terms of reference and the results of their findings, we are certain, will prove that we have done our duty conscientiously and to the best of our ability. We wish to record here that we took up the duties as liquidators voluntarily, hoping that we would render the Government a good service. The way we were subsequently treated, however, leads us to believe, that the Government will have great difficulty in future to find public men to undertake such services for them.

(Sgd.) E.J. Frenkoglou.

(Sgd.) Gottfried Bolleter.

ATTACHMENT "A"

Please receive £850/-/-

Mr. Appiah

Rept 1687

A. Bahun 28/9/53

ATTACHMENT "B"

Receive

£17? 3 -

£170
(in pencil)A. Bahun
Rept 1700ATTACHMENT "C"

Please receive

£850

from Mr. Appiah

Ajete Bahun

29/9/53

Rept 1689

ATTACHMENT "D"

Mr. Bannerman

Accept £600 from
Bearer and issue receipt.

Ajete Bahun

1/10/53

Rept 1850

Attachment "E"

12 Only Stew Pans	26cm.	12/-	7. 4. -
12 " " "	28cm.	14/-	8. 8. -
12 " " "	30cm.	16/-	9. 12. -
			<hr/>
			£ 25 4 -
			<hr/> <hr/>

Peter,
 Receive
 £25/4/-

Rept 1848

Attachment "F"

Johnny

Kindly receive
 from bearer.

£44/10/-

Overleaf:

8. - -
 1. 16 -
 1 10 -

c/s Candles. 60/-

Adisi

Rept 1677

Attachment "G"

9 Bundles @ £8 5/- each	74	5
6 " " £8 5	49	10
		<hr/>
		123. 15
		<hr/> <hr/>

Rept 1851

-Kefi-Moshie

Attachment "H"

Temp.

Kumasi

19/9/53.

Received from Mr. F.C.Sencherey an amount of Eight hundred and two, ten shillings (£802/10/-) being worth of goods purchased from C.W.E. Ltd. Kumasi.

S.A. Boateng

19/9/53.

Attachment "J"

C.W.E. D 2452

75

H. DN 2408
P 2531

Mr. Kankam

12 Lots Alum Casserols		18/-	10.	16.	-
3 Doz ^c /s Mansion Polish	s/s	60/-	9.	-	-
6 Doz Beer Mugs	s/s	16/-	4.	16.	-
6 " " "	L/s	18/-	5.	8.	-
3 Crns. Dolphin Pilchards	s/s	36/-	5.	8.	-
3 " " "	L/s	72/-	10.	16.	-
10 ^c /s Sunlight Soap		100/-	50.	-	-
4 Doz. Earthenware Bowls	L/s	20/-	4.	-	-
40 " Tea Cups & Saucers		12/-	24.	-	-
13 ⁶ Doz Earthenware Soup Plates		9/-	5.	17	-
2 ⁶ /12" " " " B/R		18/-	2.	5.	-
			<hr/>		
			£132.	6.	-
			<hr/>		

Paid

Hardware D/N.
2408

S. A. Boateng
22/9/53

Prov.
2531

Attachment "K"

Temp.

Kumasi.

22/9/53.

Received from Mr. F.K.Ahia the sum of £2094 (two thousand & ninety four pounds) being cost of goods bought from C.W.E. Ltd. Kumasi.

S.A. Boateng

22/9/53.

Attachment "L"

76

Mr. Antonio

50 Doz Club Beer	15/-	37.	10.	-
20 Crns Sugar	30/-	30.	-	-
1000 Tins Liptons Tea	1/-	50.	-	-
500 " Ridgeways Tea	1/-	25	-	-
10 Crns Quaker Oats	50/-	25	-	-
80 Doz Marmalade	9/-	36	-	-
120 " Petroleum Jelly Vaseline 4/6		27	-	-
12 " Izal Toilet Roll	15/-	9	-	-
36 " Yardley Powder	34/-	61	4	-
		<u>£ 300.</u>		<u>14.</u> -

Paid

S.A.B.

Attachment "M"

26 c/s Wire Nails @ 42/-		54.	12.	-
66 doz. Mansion Polish @ 36/-		118	16	-
25 only Shoe Outfit @ 5/-		6	5	-
		<u>£ 179</u>		<u>13.</u> -

Antonio

180 Doz Vaseline	5/3	47.	5	-
		<u>£ 226</u>		<u>18.</u> -
1 Only Weighing Machine	100/-	5	-	-
1 " Trunk	100/-	5	-	-
30 Yds. Linoleum	2/-	3.	-	-
2 Only Bialaddin Lamps	30/-	3	-	-
1 Doz Beer Mugs L/s	6/-	-	6	-
1 " " " s/s	6/-	-	6	-
		<u>£243</u>		<u>10</u> -

Paid

S.A. Boateng

26/9/53.

Attachment "A"

W. & R. JOHJOH

No 31

Accra 5th December, 1954

RECEIVED FROM Madam Peace Aryee

THE SUM OF Five Hundred pounds
shillings pence

BEING Cost of Car No. AR 4643, Chevrolet

£500. /- /-

p. p. W. & R. JOHJOH.
Johjoh
Partner.

Attachment "B"

W. & R. JOHJOH

No 30

Accra 31 - 12 - 1954

RECEIVED FROM Messrs. Rahwanji Bros & Co

THE SUM OF Forty Eight pounds
shillings pence

BEING W/Sale Rent for Oct 1st to 31st March 1954

£48 /- /-

p.p. W. & R. JOHJOH.
Johjoh
Partner.

Attachment "C"

BANK OF BRITISH WEST AFRICA LIMITED.
(Incorporated in England)

Accra BRANCH

5 - 12 - 53

CREDIT A/c of W. & R. JOHJOH
ACCRA.

	£	s.	d.
Notes :- £1	17	-	-
10/-	11	-	-
Coin :- Florins	19	-	-
Shillings	1	-	-
Sixpences			
Threepences			
Nickel			
Postal Orders			
<hr/>			
Total Cash and P/O's	£ 48	-	-
Cheques on B.B.W.A. Ltd. As detailed			
Cheques on Barclays on back Bank (D.C. & O.)			
<hr/>			
	£ 48	-	-
<hr/> <hr/>			

Total in Words Forty Eight pounds only.

Paid in by

Department of Co-operation,
P. O. Box 1, Kumasi,
22nd Sept. 1951.

Confidential ARA/51/11.

A. C. O. J. E. Kane.

Attached hereto copy of an inquiry conducted by Mr. Knight, Lieut. Col. Gambrill and Mr. Obuobi, together with exhibits handed in during the hearing. A copy of the enquiry has been sent direct to Mr. Sam for transmission to the C. W. E.

2. The findings of the Inquiry made references to the necessity of Departmental action in certain matters. In the main these are concerned with the conduct of Mr. Kane who was seconded to the C. W. E. w.e.f. 1st March 1951 (Chief Sec's P. 10910/28 of 28th Feb. 1951 refer^e)

3. It will be noted that the findings indicate that Mr. Kane's services to the C. W. E. should be discontinued

4. The principal allegations against Mr. Kane appear to be : -

(a) Page 1) Mr. Abeyie alleges that before Mr. Kane's secondment, he borrowed cash from Abeyie, which was the property of the C. W. E. We are unable to accept Mr. Kane's version which was that he had borrowed this cash from Abeyie in a private capacity. Exhibit "A" supports an indebtedness of £91. 5s. 6d. which Kane admits, and there is also an admission that in the early part of 1950 Kane also took a loan of £150 from Abeyie. Such borrowings from a person under his official supervision would appear to be an infringement by Kane of G. O. 191 (2) This state of affairs would also seem to call for action under G. O. 195.

(b) (Page 1.) The allegation that Mr. Abeyie was advised by Mr. Kane to dispose of 2 cases bread-crocks to effect temporary settlement of the debt, we regard as not proven.

(c) (Page 1) The findings have held Mr. Kane responsible for the shortage of 61½ yds Printed Vat Netting value £7. 3s. 6d. with a recommendation that this should be made good at selling price. It must be pointed out that this is an implication of stealing by means of his employment against Kane, which he does not admit.

(d) (Page 1) In regard to the allegations concerning the 25 bags of cement, further inquiries will be made, in view of the unsatisfactory explanations of the Auditors concerned. In any event it appears certain that the C. W. E. has not benefited from the sale, and the shortage is not revealed in the annual audit.

(e) Page 2) Mr. Kane admits having borrowed cigarettes on four occasions and having returned them. This practice is obviously most unsatisfactory.

(f) Page 2) Concerning the alleged sales of flour Kane, as Manager of the Depot, cannot be absolved from responsibility. We consider that the persons concerned would normally approach Kane in the first instance. The same procedure occurred in the sale of Cream Cracker Biscuits.

(g)(Page 2) The Canary Fish was allegedly not in good condition. The credit sale to Kane, and the manner of the sale were irregular.

(h) (Page 2) The issue of UAC Prints is a violation of the latter part of Section C of Staff Circular 146/82 of 4th March, 1949 - "A most serious view will be taken of proved cases of Government Officers receiving any special concessions by reason of their employment. Similarly Government Officers must under no circumstances connive at any trading in Co-operative Goods carried out in a manner contrary to the principles of the Movement. Mr. Kane's appointment as Sales Manager was designed to prevent the very abuses which he has connived at.

(i)(Page 10.) The supervision by Mr. Kane of the transport earnings was very lax, and his action in allowing passengers to be transported to Prampram free of charge was contrary to the interests of the C. W. E. We cannot accept that no fares were collected on lorry AR. 1807 during April and May.

(j) (Page 6B) Mr. Kane's admission of having failed to bring to account cash received for the sale of empty boxes, although not apparently of importance in his view, is, in our opinion, serious.

5. We recommend that Mr. Kane's secondment cease at once. It appears to us that there is a prima facie criminal case against Kane in respect of the Vat Netting (Sub Para 4c). Whether or not you concur with the sentence Kane's continued posting to Ashanti, or on Consumer work appears to be undesirable.

6. In accordance with the findings of the Inquiry, we recommend that the post of ACO to the Kumasi CWE should be filled by as responsible an officer as may be available. As an immediate stop gap, the only suitable person in Ashanti appears to be ACO Owusu.

7. This letter has been jointly prepared by Col. Gambrell and myself, and your immediate instructions on Kane would be appreciated by telephone. (I will be on trek from Monday to Thursday, would you please phone Col. Gambrell)

The Registrar of Co-operative Societies,
P. O. Box 906, Accra.

B.W.A.T.K.

ASST. REGISTRAR -ASHANTI.

Proceedings of an informal inquiry conducted by Mr. Obuobi (Managing Secretary C. W. E.) Mr. Knight (ARA) and Lieut. Col. Gambrill (ARA) at the C. W. E. on the 21st September, 1951.

Mr. Abeyie (Wholesale keeper CWE Kumasi Depot states:-

I have received a copy of the shortages and surpluses revealed at the stock taking on 6th September. This statement is not correct.

Regarding the shortage of bread crocks. Last year when I was in charge of the Depot and Mr. Kane was ACO, he asked me for money on several occasions, which I gave him from the cash in the safe. This was CWE funds. I kept a record of the amounts of money given to Mr. Kane. Just before Mr. Kane went on leave in August, 1950, he had one large sum of money from me, £40. Mr. Boadu came to audit the accounts, and Mr. Boadu wrote to me, copy to the C. W. E. Managing Secretary and ARA, to the effect that I should pay all the cash on hand to the bank. (At this stage Mr. Senchere, C. W. E. Committee member joined the Inquiry).

I was unable to repay the money to the bank, as it was short by the amount Mr. Kane had taken. Mr. Ackah came and checked the cash book and the safe. I told Mr. Ackah that I had used the money for a funeral, and he said that I should pay it into the bank within two days. I raised a loan in the town of £95. 6s. Od. and repaid the amount. I produce an I. O. U. signed by Mr. Kane, which he gave to me when he took the money (Marked "A" and attached) The I. O. U. was given to me in August 1950.

When Mr. Kane returned from leave, he thanked me for taking the responsibility.

I pressed him to make repayment, but he told me that I should hold on, I was myself being pressed to make repayment, and about three months ago things came to a head. I again approached Mr. Kane, and told him I was being pressed to make repayment. Mr. Kane advised me that I should take two cases of breadcrocks and sell them, and with the cash repay the loan. Also that when he (Mr. Kane) was ready to pay the cash back, I should debit Kumasi Consumers, and he would pay the cash to them. He further stated that if this did not occur before the next stocktaking, he would adjust the stocks accordingly.

During the recent stock-taking, there were two Government Officers, Mr. Yankah and Mr. Vardon checking the stocks, and so no adjustment could be made.

Regarding printed vat netting, this does not appear in the schedule of shortages. This was taken by Mr. Kane from C.W.E. Accra, (See C.W.E. Debit note 4009, dated 15th December, 1950) - Marked "B" This did not come to the Kumasi Wholesale, and there was no entry for it in the stock binder. I asked him before I signed it, and he told me that he had taken it to his house. I thought he would pay for it in due course through Kumasi Consumers. The item was entered on the binder sheet, but was subsequently crossed out. (The invoice reads - 61½ yds printed Vat Netting at 2/4d per yd. = £7. 3s. 6d.) Binder sheet marked "C".

Regarding 25 bags cement. I hand in binder sheet, which shows that out of a total of 400, only 375 were issued, and there should have been a balance of 25 bags. I was asked by Mr. Kane to give the 25 bags of cement to Mr. Baiden (Contractor) I am of the opinion that Mr. Kane was paid by Mr. Baiden for this cement. (Binder sheet marked "D")

Regarding 9 tins Churchman cigs shown short on the statement. At times Mr. Kane sends his clerks, Baiden, Kuffour and Kumah, to take cigarettes from the stock.

Regarding 11 sacks of flour £27. 10s. Od. shown short on the statement. I recall that I was instructed by Mr. Kane on occasions between April and September, 1951, to make issues of flour without preparing debit notes. Issues were made to Mr. Minnow (1 sack) Miss Asare (2 sacks) Mrs. Baiden (wife of contractor) 2 sacks and others which I cannot recall. On these occasions I was not given written instructions by Mr. Kane to make issues, as was the normal practice.

Regarding Cream Crackers - shown as short by 10-do., cost price £16. selling price £12. 10s. Od. On several occasions Mr. Kane used to bring customers to the store, and serve them with these biscuits direct. I complained about this in a letter which I sent to the Managing Secretary and the ARA, saying that Mr. Kane was trying to do my work as well as his own.

Canary Fish, UAC Prints and cotton drill. These goods are not shown as short, but I wish to make some remarks about them. There was an occasion when I went to the wholesale and found the stock of drill finished. I saw that the balance of the binder was one piece. Mr. Kane admitted that he had given it to Mr. Bemini, and a debit note was subsequently prepared for Sechere Division Consumers. ACO Yankah refused to sign the debit note for this piece of drill.

On one occasion I went with Mr. Kane to the store, and 4 pieces of UAC print were given to Mr. Ackah's wife. About three weeks later the Sunyani Storekeeper was asked to sign a debit note for these prints.

On one occasion a woman who said she was a niece of Mr. Kane came into the wholesale and said she was to take two bundles of Canary Fish. Some weeks later this fish was debited against Konongo Consumers.

Concerning the sugar on several occasions I was given chits by Mr. Kane asking me to supply sugar. I gave one of these chits to Col. Gambrill last week. (Gambrill agrees, but chit is not available.

At the end of the March 51 stock taking there were 11 packets of sugar surplus. These were not brought to account but were shared amongst Kane (1) Danso (4) Owusu (4) Minnow (2) I was in the store when the distribution was made, and I hand in a note by Mr. Kane, which I kept in case there should be a subsequent shortage. They were single one pound packets of sugar. (Note marked "E" and attached)

At the Sept stocktaking I pointed out that I had 413 of 24 x 2 lbs. cartons of sugar, which had been in stock since June, and for which I had received no debit note.

Of the remaining shortages I can offer no explanation other than that they may have been oversupplied during days when we were working at high pressure.

I would like to add that when I was in direct control of the depot there were no shock shortages, except of a minor amount. When Mr. Kane took over, I was often forced to rush

and hurry my work, and this may have led to shortages. Mr. Obuobi asks for fuller information on the I. O. U. ("A") Mr. Obeyie states that the advances were given between March and August 1950, and that only Mr. Kane ever checked the cash against the books.

The subtotals on "A" were inserted by me after Mr. Kane had given me the I. O. U. from another piece of paper on which I kept the record. This shows a difference of £5.

(SIGNED) C. O. Abeyie.

21/ 9/ 51.

At this stage the panel considered that Mr. Kane should be called, and that he should have Mr. Obeyie's statement read over to him, and be afforded an opportunity of asking any questions, or making a statement on his own behalf.

Mr. Baiden called said that the only occasion he could recall being sent to the store was to get biscuits for Mr. Gambrill.

Mr. Kumah stated that in May 51, he was asked by Mr. Kane to bring him a piece of khaki drill. I forgot to tell Mr. Abeyie about this.

In July, Mr. Kane asked me to give him a piece of UAC print Mr. Obeyie was out, and the keys were in his drawer. I told Obeyie what I had done afterwards. I did not get a written order. On about four occasions Mr. Kane has told me to give him cigarettes. On each occasion it has been one tin, and I have told Mr. Abeyie afterwards.

On about three occasions, while Mr. Abeyie was absent, I have given UAC prints to Mr. Kane. One piece on each occasion.

Mr. Kumah on questioning by Mr. Kane admitted that on Mr. Alemah's instruction two pieces of drill were transferred to Accra, and it was on this occasion that it was found that the book stock was one short.

Mr. Kane to Mr. Kumah. Do you remember that when UAC prints were taken by me cash was paid to Mr. Abeyie. Mr. Kumah replied "I do not remember".

Mr. Abeyie requests that Mr. Baiden be recalled.

Q. by Abeyie. Have you ever taken cigarettes from the store.
Answer: Yes, once, when I took a part carton, I do not know how many tins were in it. Mr. Abeyie gave me the part carton.

Abeyie questioned by Kane, Do you realise that as a wholesale keeper you are responsible for the wholesale.

Abeyie. Yes, under the control of the Sales Manager.

Kane. You are bonded?

Abeyie. Yes.

Kane. Have you been a wholesale keeper before.

Abeyie. Yes, for nine years.

Kane: Do you recall that in Feb 51, when I was still ACO, I reprimanded you for selling 90 breadcrops, payment for which was made to Kumasi Consumers? It was a verbal reprimand.

Abeyie. No.

Kane. Have you and I been on friendly terms since the early part of this year (51)

Abeyie. Yes we have been friendly, but we have not been so close since you moved from Asawasi.

Kane. Do you remember that in the early part of 1950, in Asawasi I took a loan from you of £150 and gave you an I. O. U. This money was to make payment for my car pending receipt of a Government loan.

Abeyie No.

Mr. Kane proceeds to give a statement, Mr. Abeyie leaves at this juncture, to be called back when the statement is completed. I refute all the allegations made by Mr. Obeyie and Mr. Kumah, and I believe that it is a plot engineered by certain people in Kumasi to put me into disrepute.

The statement of surpluses and deficiencies which were made after I had taken the stocks at 6th Sept, are true and accurate. Regarding the bread crops, I have not, on any occasion suggested or advised Mr. Abeyie to remove breadcrops in payment of an alleged loan. In Sept. 50 just before proceeding on leave I took £91. 5s. 6d. from Mr. Abeyie in his own house at Asawasi and it had nothing to do with the C. W. E. The document ("A") was prepared by me at the railway station Kumasi, when Abeyie came to see me off on leave. On my return from leave I paid the money to him at his house the sum of £91. 5s. 6d. I had previously taken a loan of £150 from Mr. Abeyie, and had paid it back, but on both occasions I did not get back my I. O. U.

At the time I handed over to Mr. Owusu, the cash balance of the C. W. E. was correct.

Regarding the bread crops. I went to Kumasi Consumers about Feb. 51, in the time I was still acting as ACO in CWE. I inspected the Consumer Store, and in going through their Daily Sales Analysis Sheets, I found 90 breadcrops has been purchased by Mr. Abeyie. The shop assistant informed me that the breadcrops had not been delivered but that payment had been made by Abeyie. The store-keeper confirmed this, and I later reported it to Mr. Senchere (Mr. Senchere confirms this) Both Mr. Senchere and Mr. Kankam took objection to Mr. Abeyie's action, but they were paid for at the retail price. On my return I reprimanded Mr. Abeyie for having undertaken this transaction. I did not report the matter officially, but I did mention it to Mr. Ackah and Mr. Owusu.

Question by Mr. Knight, Do you not consider that taking a loan from a private person with whom you have official relations is likely to prejudice your official position?

Answer. No because he was a friend. I did not pay interest.

Question by Mr. Knight. Do you know of any instructions on the subject of the relationship which should exist between Government Staff and staffs of societies.

Reply: Yes.

Mr. Senchere. Having taken two loans from Mr. Abeyie, were you in a position to reprimand him.

Kane. Yes, I did reprimand him.

Mr. Knight: Did Mr. Abeyie say anything after you had reprimanded him.

Kane. Yes, he became annoyed.

Knight: Did your relationship deteriorate after this.

Kane. Yes.

Gambrill. Why did you borrow a sum of £91. 5s. 6d. such a definite sum?

Kane: The amount is made up of smaller amounts.
 One of these was a sum of approx. £60. which I took in his house at Assawasi just before I went on leave and the balance was made up of my personal accounts with him.

Knight You had been indebted to Abeyie for some time.

Kane. Yes.

Knight Has Abeyie private means.

Kane. Yes.

Knight Do you recall that it was difficult for him to produce his cash security, and the C. W. E. were pressing for full payment.

Kane. Yes, I remember.

Kane. statement continues. I brought the netting from Accra, I gave him the netting and the debit note, and he signed it, I have myself purchased about 30 yds. of printed vat netting from Kumasi Consumers around January 51, at about 3/6d per yard. I did not buy it myself, nor on my pass book, and I do not know how it was treated. Regarding the 25 bags of cement, these were broken bags. The cement was taken by Mr. Baiden and as this was before I was Sales Manager, Mr. Abeyie took the cash, and the cash changed hands in my presence. I have taken tins of Churchman on four occasions, one at a time for my own use. I subsequently purchased 6 tins from Techiman and used four of these to replace the stock. He agreed that this settled the position. Regarding flour. I have never given instructions for its issue except under written instructions. In practice Mr. Abeyie does collect cash for certain goods, and subsequently pays it over to secretaries of societies in order that debit notes may be passed. I have never taken any customers to the store and issued them with Cream Cracker Biscuits. Canary fish was returned from Techiman, and not in prime condition, I took delivery of it here and paid for it through Ashanti Akim Consumers, The debit note to Konongo Consumers was signed for by the Konongo Society. The fish was paid for about three weeks after I took it, by cheque On the same Konongo counter pass chit were 2 pieces of prints which were taken by Mr. Kumi, and one bag of maize that I purchased in Konongo. I took delivery of the maize in Konongo. 4 pieces of prints were given to Mrs. Achah in Kumasi, the cash was paid to Abeyie, and subsequently to the Sunyani Consumers Secretary. I know that 4 pieces Dutch Block Prints were given to Mrs. Ackah in Kumasi, the cash was paid to Abeyie, and subsequently to the Sunyani Consumers Secretary. I know that 4 pieces Dutch Block Prints were given to Mrs. Ackah in Kumasi, cash was paid for them, and debit note 1425 was issued to Sunyani Consumers. I know that on several occasions Mr. Ackah has been issued with prints in this manner. On one occasion Mr. Bennin was given a piece of Drill, which was debited to Sechere Division Consumers.

Question by Gambrill. Does not this method of issuing goods to members, and debiting them to societies amount to Credit Trading.

Reply. Yes, to a certain extent. Concerning Exhibit "E" and the distribution of packets of sugar to various members of the staff. These were melted sugar and valueless. On June 25th there was a consignment of flour and I found 150 sacks had been removed at the railway station. In spite of an inquiry to Mr. Abeyie, no satisfactory explanation was made to me. On other occasions I was told that he was selling empty cases and I queried him about this. His reply was in my opinion unsatisfactory. His work has deteriorated since I became Sales Manager. Debit notes are mostly made out by his assistant. He attends business irregularly.

Question by Gambrill. Have you given him any previous written warnings on his shortcomings.

Kane. I have spoken to him about the debit notes and written to him about his irregular attendance at duty. The members examine the signing-in-book, and Abeyie appears to have signed regularly in recent weeks.

Questions.

Abeyie: Do you remember that I gave you £40 in the office just before you went on leave in the presence of Mr. Owusu.

Kane. No.

Abeyie. Do you remember that when you came back from leave you came to my house to thank me, for having stood for you when the check was made by Mr. Ackah.

Kane. I came to your house, paid you the amount and thanked you for your/assistance. /financial

Abeyie. Is it your practice to take loans and not collect the I.O.U's back?

Kane. It is not my practice but because of your evil intentions you kept back my I.O.U's.

Gambrill. Did you ask him for the I.O.U's.

Kane. Yes, I asked him on both occasions.

Abeyie. Have you Vat Netting hanging in your house.

Kane. Yes, I stated that I purchased some in Kumasi Consumers.

Abeyie. How was this netting treated in the stock binders of the C.W.E.

Kane. Well, it was entered up by the binder clerk.

Abeyie. Is the netting entered on exhibit "C".

Kane. No, but there must be a reason why it was not entered.

Mr. Abeyie requests that Mr. Arthur be called to verify the entries on exhibit "C" and Mr. Kuffour,

Abeyie. Where did the cash transaction in respect of the cement take place.

Kane. In your office.

Mr. Abeyie denies that he received any cash for cement from Mr. Baiden.

Abeyie. Do you remember that at the March stocktaking, the clerk Arthur wrote the cement on the stock sheet, and you told him to re-write the sheet anew.

Kane. I do not remember.

Abeyie. Do you remember that Mr. Danso called Arthur last March and asked him about this cement.

Kane. I remember that at the March stocktaking there were several shortages amounting to nearly £90 and you as the wholesale keeper were questioned by Mr. Danso as to the shortages, in my presence you could not give any tangible excuse. The questioning included the cement. There was a shortage of cement in March. (Mr. Kane amplifies this reply by stating that he does not recall Mr. Arthur being called, but he does know that Mr. Abeyie was called)

Abeyie. Did you tell me to give flour to Mr. Minnow.

Kane. Yes.

Abeyie. Regarding the missing flour bags, do you recall that I asked you to make some inquiries at the loading station at Takoradi.

Kane. No.

Abeyie. Did you receive this letter (copy marked "F")

Kane. Yes, I did but returned it to you as it was unsatisfactory.

Abeyie. Did you bring two ministers and bargain with them about empty cases.

Kane. No. The bargaining was done jointly between you and I on one side and the Ministers on the other.

Abeyie. Do you know what became of the proceeds.

Kane. Yes.

Abeyie. Who collected the proceeds.

Kane. You took the money.

Knight to Kane. Did you agree to this.

Knight to Kane: Did you agree to this.

Kane: Yes, because it was with my knowledge.

Abeyie. Do you remember subsequently dividing the £2. with me.

Kane. Yes, you brought the £2. to me, and I told you to take £1 of it for your expenses. I did not bring the other £ to account but used it for sundry office expenses.

Abeyie. Did you issue instructions to the effect that the Assistant Wholesale keeper should prepare debit notes.

Kane. No.

Abeyie. Did I ever absent myself without permission.

Kane. Yes many, many times, For example on 1st Sept. 1951 you left at 10.30. a.m. On 2nd August, you left office all day and returned at 12. 5. noon.

My Abeyie further states that he was not in the habit of asking permission to leave when he was on duty locally in Kumasi.

Mr. Kane further states:-

Some of the shortages which Mr. Abeyie has been commenting on refer to the March stocktaking and he has not yet signed the D. & S. A/C. I remember he gave one Reliance Cycle to the Assistant Wholesale Keeper, He told me that Kumah was going to pay for it at the end of the month. This appeared short in September stocktaking.

Question by Gambrill to Mr. Kane. Did you report the stock shortage at March to the Department?

Answer. The stock sheets were sent to the Dept's. Office, and the DV & S account was drawn in Accra and forwarded to me. I sent it on to Abeyie who took no action on it. Noticing that his work was deteriorating and being informed of the breadcrock and cycle incident, I decided to wait until the next stock taking came.

Question by Gambrill. Who decided that stock should be taken in C. W. E. Kumasi in Sept.

Answer. I did. After consultation with you (Gambrill)

Question by Gambrill to Abeyie. Did you lend Mr. Kane any of your own money at any time.

Reply - Yes. 10/- to buy petrol. This was a casual loan and repaid.

Question. By Mr. Knight. Did you give Mr. Kane a loan of £150.

Answer Mr. Abeyie. No.

Question by Mr. Knight - When Boadu checked the cash, how much was it short?

Answer: Boadu did not check the cash, but asked me to pay all the cash into the Bank.

Question by Mr. Obuobi. What was the amount of the shortage at the time Mr. Ackah checked.

Reply; £96. 5s. 6d

Question by Gambrill. Did you ever take 90 bread crocks through the Kumasi Consumers.

Reply: Yes, I paid cash to Mr. Kankam and took the bread-crocks from the wholesale. At that time I was managing the depot.

The Panel which had sat from 2.15.p.m. until 8.40p.m. adjourned on the 21st until the 22nd.

The Panel commenced hearing at 9 a.m. on 22nd Sept.

Mr. Kane requests to be allowed to add to his statement of the 21st.

Since the Ashanti C. W. E. Depot was opened, there have been 4 stock takings. March 50 - £54. 13s. 6d. (pointed out by Gambrill) this was a surplus not a shortage.

July, 1950 There was a shortage of £11. 10s. 7d. which Mr. Abeyie accepted.

March, 1951 There was a shortage of £91. 10s. 9d.

which Mr. Abeyie has not yet accepted.

I was seconded from the Co-operative Department w.e.f. 1st March, 1951, but did not assume responsibility for authorising issues until 1st April. Mr. Abeyie was asked by me to comment on the March shortage, but he took no action.

Since 1st April there has been no occasion that I have asked Mr. Abeyie verbally to issue goods without issuing debit notes. I cannot now remember where I purchased the vat netting from as I sometimes make purchases on my visits to other societies.

On the occasions when sales were made from this wholesale and subsequently passed through society's accounts cash was generally paid by the purchaser to Mr. Abeyie, for the safety of this cash I allowed him the use of a safe in his office.

Mr. Obuobi. Who decided to which society such goods shall be debited.

Mr. Kane. Mr. Abeyie.

Mr. Knight Why are they not all passed through the local society Kumasi.

Mr. Kane. It is for Mr. Abeyie to decide.

Mr. Knight Why not make an official cash sale on these occasions.

Mr. Kane. Because they are not goods which should be sold at Wholesale level.

Mr. Abeyie questions Mr. Kane.

Mr. Abeyie. Do you not remember that in May, you asked Mr. Kumah to take one piece khaki drill to be issued to Mr. Bemmin, and the debit note was made in July, which Mr. Yankah refused to countersign.

Mr. Kane. I remember one piece of drill was issued, but I do not know when.

Mr. Abeyie. Do you remember taking two pieces print and 1 Canary fish, for which you sent the debit note later, and Mr. Yankah refused to sign.

Mr. Kane. Yes.

Mr. Abeyie. Do you agree that when instructions to issue are sent to me they also indicate to which society the goods should be debited.

Mr. Kane. Yes.

Mr. Abeyie. You state that I took money for 4 pieces of print and then debited them against Sunyani. I shall later bring evidence to refute this.

Mr. Bonsu, Secretary of Kumasi Consumers Society states: I recall sometime since April I was asked by Mr. Abeyie to sign a debit note for one piece Khaki Drill, which was not actually delivered, I do not know who the drill was for.

Mr. Kankam, Manager of Kumasi Consumers Society states: Sometime last year I remember Mr. Abeyie brought me money and a debit note for bread crocks. I also remember sometime this year that a piece of khaki drill was also treated in the same way.

I do not remember if Kumasi Consumers has ever received any printed netting.

Mr. Arthur. Binder Clerk of C. W. E. Kumasi.

I wrote the entry on line three of exhibit 'C' (Binder sheet of Printed netting) I do not remember why I did not complete the entry, I do not know who crossed out the entry, and I do not know whose initials they are. The brown pencil markings were done by the auditors, I do not know which one. Before the March stocktaking I was asked to write the stock sheets According to my binder there were 25 bags cement, and I wrote this in pencil on the stock sheet. I took the stock sheets to Mr. Kane. He told me to re-write them in ink. I found he had cancelled my entry of 25 bags cement and he informed me

that they had been issued to Mr. Baiden.

After the audit Mr. Danso called me and asked me why the 25 bags did not appear on the sheet, I told him that Mr. Kane instructed me not to write them, because they had been sold to Mr. Baiden. The auditor saw both the pencil and the ink copy.

Mr. Kane questions Mr. Arthur.

Kane. When you were first employed in December, 1950 had you any previous knowledge of binder keeping.

Arthur. No.

Mr. Kuffour recalled for questioning.

I headed the sheet (exhibit "C") and made the first entry on 17th November, 1950 I made the plain pencil ticks.

Mr. Kumah also recalled with Mr. Arthur.

The initials after item 3 on the binder sheet purport to be my initials, but I did not write them.

Mr. Abeyie questions Mr. Kane. Is the initial after line three on exhibit "C" your initial?

Mr. Kane. These initials are not mine.

Mr. Vardon. Assistant Co-operative Officer, Audit, is called for questioning.

The brown audit ticks on Exhibit "C" are mine. They were made at the annual audit March 1951. I shall need to collect my own notes on the audit to decide why I crossed out item 3. (Mr. Vardon leaves to collect same)

The panel examines other initials of Mr. Kuffour and they do not appear to be the same as those on Exhibit "C"

Mr. Arthur recalled for questioning by Mr. Kane.

Mr. Abeyie hands in exhibit "G" being an issue instruction signed by Mr. Kane, and draws attention to the last item

"2" bales canary fish (Amt. paid to soc) dated 16th June, 51

Mr. Kane states that the amount was paid to Kumasi Consumers by Abeyie. On reflection he corrects this statement and adds, the amount was paid by Mrs. Ackah to Kumasi Consumers and I do not know where delivery was taken.

Mr. Abeyie states that the two bales fish were issued to Mrs. Ackah on Mr. Kane's instruction and that when the debit note was taken to the Kumasi store he asked if the cash had been paid in. At this stage Mr. Danso, Inspecting Accountant is called.

Mr. Danso states: (Mr. Vardon and Mr. Arthur also recalled to assist in clarifying this point)

I remember that towards the end of April I received 4 damaged packets of sugar from the store. This was damp and of no value. (At this stage Mr. Danso leaves, pending receipt of Mr. Vardon's note book to clarify the cement issue)

Mr. Abeyie continues his statement.

Hands in "H" Order to supply 3 pcs prints to Ejura dated 27th June 1951 endorsed "taken by Sales Manager"

Question by Gambrell, to Mr Kane. Did these prints go to Ejura, and were they part of the allocation countersigned by me for Ejura society.

Kane. They did form part of the allocation I gave them to Mr. Martinson and his wife in Kumasi, when they were passing to Accra. /Abeyie:

Hands in "I" an issue instruction to supply to Ashanti Akim, dated 5th May. I gave the print to Mr. Kane, and subsequently received the instruction.

Mr. Kane: states that he took this print for his own use in Kumasi. I paid the amount for it to the Secretary of the Ash Akim Soc. Hands in "J" an issue instruction for Spry, Drill and Gramophones, these were taken by Mr. Danso, and debited to Kumasi Consumers. Hands in "K" being an issue instruction for 2 pieces drill to be issued to Deputy Registrar Consumers, on 28th July, 1951 and taken by him.

Mr. Kane states that he did not know that Mr. Alema had taken these two pieces until the day after it was actually taken, and that at Mr. Abeyie's request he issued exhibit "K"

Abeyie. Hands in "L" an order for 4 pieces of print, dated 8/8/51 to Sunyani.

Mr. Kane asks Mr. Abeyie, Did you receive payment for these pieces print.

Mr. Abeyie. No.

Mr. Kane Do you remember that I once rang you from the town and said you should give Mr. & Mrs. Ackah 4 pieces print, and collect the money for them.

Mr. Abeyie. I remember you asking me to give them 4 pieces print. I gave the four pieces of print to Mrs. Ackah, but I did not receive cash for them. Later Mr. Kane brought me exhibit "L" I never received cash for these four pieces print.

Mr. Danso and Mr. Vardon with notes continue on the cement position.

Mr. Danso. The sum position of the cement was that there was a book stock of 53. We subsequently discovered that Debit Note 2418 for 50 bags had not been entered in the binders.

Mr. Vardon states that he found that 61½ yds vat netting had been received from Accra, but not issued out. His audit report ref 40/52 dated 28th May draws attention to the shortage. It does not appear that C. W. E. has charged this to Mr. Abeyie's D. & S. Account for March 51.

Mr. Kane recalled and questioned;

Have you received any money from drivers of the C. W. E. for fares collected on the lorry since you took over the duties of Sales Manager?

Mr. Kane. Yes.

Gambrill. Have any such fares been collected by the drivers.

Mr. Kane. Yes, but only since 13th August, 1951.

Gambrill. The old lorry AR 1807 travelled 764 miles in April, of which 326 miles were return journeys to Kumasi. Were any fares paid to the driver.

Mr. Kane. I do not know. I did not receive any.

Gambrill in May 1951 the lorry travelled 892 miles, were any fares received.

Mr. Kane. No.

Gambrill. Did you take any steps to find out about this state of affairs.

Mr. Kane. The driver told me he did not collect any fares.

Mr. Tettey (C. W. E. Driver called)

Gambrill. Did you take the C. W. E. lorry 8538 to Prampram on the 23rd August.

Mr. Tettey. Yes. I left Kumasi on 23rd August in the morning I carried 10 empty boxes also 4 women and 3 children.

They live near to C. W. E. I took them straight to

Prampram. Mr. Kane told me to take these people to

Prampram I reported to Mr. Obuoni and lifted a load of goods to carry back to Kumasi.

Mr. Kane questions Mr. Tettey.

Kane. Did you bring women to my office before you went.

Tettey. No. I came here with Mr. Engman, who lives nearby C. W. E.

Kane. I authorised the driver to carry four women without payment from Kumasi to Accra, only. On the return of the lorry I received no cash from Tettey. The journey to Prampram was reported to me by Grant, a relieving typist. I gave Tettey full petrol to carry him both ways, and he collected a further 24 gallons in Accra.

Findings.

The main issue of inquiry concerns the stock shortage of £264. 12s. 4d. which is revealed at the stock taking of the

Kumasi C. W. E. in Sept. 1951. We can find nothing in the evidence to absolve Mr. Abeyie from his responsibilities under his bond. At the same time we feel that Mr. Kane contributed both by negligence and in some cases by interference to the state revealed by the stock taking, and that he must bear some portion of the responsibility.

We do not feel that an Inquiry of the nature we have conducted should make any recommendation as to the actual manner in which this responsibility should be shared.

Taking account of the shortage of £91 revealed in the March 51 stocktaking, the total shortages incurred by Mr. Abeyie (deducting his surplus in March 1950) was in the region of £50 and this, based on the sales rate of the Depot. (approx £70,000 last year alone) is a very good performance. The decline in the standard of the performance of Mr. Abeyie's duties since April, 1951 has coincided with the appointment of the Sales Manager. The anticipated efficiency, which it was hoped this appointment would bring to the Depot, has failed to materialise. Mr. Abeyie has made allegations which in the main, in our opinion, Mr. Kane has failed to disprove. On some points in the evidence we are unable to accept Mr. Kane's version.

We recommend that Mr. Abeyie continue in his present office, subject to his being able to make satisfactory arrangements regarding his indebtedness to the C. W. E. Concerning Mr. Kane, we feel that in this particular case the experiment of appointing a Sales Manager for the Kumasi Depot has failed. We are further of the opinion that his services to the C. W. E. should be discontinued. There are matters revealed in this inquiry, concerning Mr. Kane, which must be dealt with Departmentally.

We further recommend that should the resulting vacancy of Sales Manager be filled the position should not again be allowed to arise in which the Seniority and Salary of the Departmental Officer supervising the branch are lower than that of the Manager. We also feel that the status of the wholesale keeper and the Sales manager should be on a more equal basis, and that in this connection it might be advisable to drop the expression. "Sales Manager" for some title such as "sub-accountant"

We are rather surprised that shortages detailed by the Audit Division of the Department do not yet appear to have been passed to the C. W. E. for action.

We feel that further enquiry should be made re the 25 bags of cement, with a view to ensuring that payment has been made. We are of the opinion that Mr. Kane must be held responsible for the Vat Netting on exhibit "B" and should be asked to make repayment for it at selling value.

Mr. Abeyie must be clearly of the implication of his informed duties, and instructed that whatever supervision of him may take place, no person has any right to interfere with the goods under his control.

SIGNED B.W.A.T.KNIGHT.
Assistant Registrar.

J. OBUOBI.
Managing Secretary C. W. E.

ALLEGATIONS CONCERNING MR. J.E.KANE ASST.CO-OPERATIVE OFFR.

At Accra on the 5th October, 1951, Present Messrs. Hewson Registrar of Co-operative Societies, Mr. Sam Deputy, and Col. Gambrill Asst. Registrar; also Mr. J.E. Kane.

Mr. Hewson informs Mr. Kane that as he is aware certain enquiries were recently undertaken as to allegations of improper conduct levied against him. These are to the effect (1) that he borrowed money from officers over whom he had in the course of his duties to exercise supervision, (2) that he did himself receive and did connive at others receiving goods direct from the Wholesale instead of from their Retail Societies in the approved manner, (3) the question of a consignment of netting from the Wholesale Establishment not properly accounted for in the Kumasi Depot.

With regard to the first two counts Kane admitted the faults. With regard to the last He admitted receiving personally a consignment of 30 yards of the material in question but stated that he had purchased it for cash in a Co-operative Store but which one he could not remember. He admitted transporting the lot in question to Kumasi. (The invoice is signed both by himself and the Wholesale Keeper Kumasi but the latter denies ever receiving this particular lot).

In considering the treatment of Kane Col. Gambrill asked that his generally good service while in Ashanti be taken into account and Mr. Sam testified to his generally good record to date in the Department. It was agreed that Mr. Kane had been guilty of borrowing money from an employee of a Co-operative Society contrary to standing Departmental instructions, and to issuing an I.O.U. contrary to General Orders; that He had also been guilty of receiving goods direct from the Wholesale and in conniving at others so doing also contrary to Departmental Instructions. With regard to the consignment of netting it was found impossible to accept his explanation, and it was noted that he had undertaken to pay for this to the Establishment.

Taking all factors into consideration it was agreed that a fitting

punishment would be the withdrawal of the recommendation to promotion from the D1-D2 to the D3 Grade (£200 to £500) recently made and the issue of a written warning with a note on his file, to that effect.

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Attachment "C"

P.O. Box 906,
ACCRA.

CI2

Strictly Confidential

24th OCTOBER, 1951.

MR. J.E. KANE - ASSISTANT CO-OPERATIVE OFFICER.

I have to refer to my letter No.C12 of 11th September in which I suggested the promotion of Mr. Kane to the rank of Senior Assistant Co-operative Officer Scale D3; I asked that action on this be suspended and now must officially request its cancellation. Briefly Mr. Kane has been detected in conduct unfitting to a public servant. The situation is a little complicated in so far as Mr. Kane was at the requests of the Co-operative Wholesale Establishment, granted two years' leave on the ground of public policy with effect from the 1st March last-your No. 10910/28 of 28th February refers; this was in order to enable him to take up duties in the Executive of the Establishment in its early stages. It will be appreciated that when this matter was brought to my notice I considered rapid action necessary. I therefore contacted the Establishment and with their consent declared the period of such leave at an end and recalled Mr. Kane forthwith to other duties in another station.

I also caused an enquiry to be held in Kumasi and another in Accra. I should be grateful if you would return the report of the former and the exhibits at your early convenience; the report of the Accra enquiry is for your retention. The background of all this is that there are certain features peculiar to the work of this Department (possibly the Custom's may have similar dangers), centred on the possibilities of improper and advantageous relationships being entered into between Government Staff and the Co-operatives they are set to advise

and supervise. The Latins sum up the situation "quis custodiet ipsos custodes". I have endeavoured to make the position in such matters very plain in Departmental instructions, and I think I have succeeded in so doing.

Mr. Kane happens to be one of our very best - I had almost said our few very good officers -, and it has been a great disappointment to me that he has fallen from grace. I think the appropriate and a most salutary punishment will be to cancel the promotion which it is common knowledge had been recommended. You will appreciate that in the circumstances the cessation of his secondment has also proved necessary, and subject to your approval I intend to issue him with a warning. I do not believe he is beyond repair and hope he will later fulfill his promise. Arising out of the matter I also intend to issue a further strong circular to Government staff. The obtaining of one Block Print in short supply direct from Wholesale (against payment) may not at first sight seem a matter of consequence but the result may in fact be incalculable harm.

I enclose a copy of an undertaking I make new recruits sign at the time of employment, and would like to take the opportunity of discussing the matter with you generally in the not distant future, as I think I should acquaint you with such peculiar aspects as bear on this Department.

M. G. Hewson.

REGISTRAR OF CO-OPERATIVE SOCIETIES.

THE CHIEF SECRETARY,
A C C R A.